FBIS DAILY REPORT

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PROPAGANDA CONFERENCE BEGINS IN WARSAW 2 DEC

LD022315 Warsaw PAP in English 2010 GMT 2 Dec 86

[Text] Warsaw, Dec. 2 -- An international scientific conference on the role of propaganda in the confrontation between the two socio-political systems started here today with delegations from Bulgaria, Czechoslovakia, Mongolia, GDR, Hungary, Vietnam, the Soviet Union and Poland participating. The participants in the conference stressed that the West considers a total information war to be an effective, long-term means of struggle against socialist countries, mainly against the Soviet Union and its Warsaw Treaty allies.

The scientists also underscored that propaganda subversion against socialist countries both causes tensions in international relations and serves interference in the internal affairs of socialist community states.

According to UNESCO data, about 80-90 per cent of circulating information is controlled by Western countries and two thirds out of it by the U.S. alone. This provides a basis for the development and strengthening of psychological war and propaganda subversion against socialism, international communist and worker movement, national liberation and democratic movements, and also against developing countries.

The conference was attended by head of the PUWP CC Foreign Department Ernest Kucza.

Conference Ends 4 Dec

AU221855 Warsaw TRYBUNA LUDU in Polish 5 Dec 86 p 2

[PAP report: "West's Ideological Subversion"]

[Text] Subversive activities were, are, and will certainly remain for a long time crucial instruments of the West's foreign policy vis-a-vis the societies of the socialist countries. This was one of the concluding findings of the participants of the Warsaw international scientific conference on the role of propaganda in the confrontation of the two sociopolitical systems, which ended on 4 December. The conference was attended by delegations from Bulgaria, Czechoslovakia, Mongolia, the GDR, Hungary, and the USSR. Plenary and working group debates analyzed the aims and motives of propaganda aggression against socialist countries and discussed the organization and methods of anticommunist ideological subversion. At the same time, the conference devised new solutions with regard to the contents and forms of socialist propaganda abroad and with regard to counterpropaganda.

The conference also pointed out that Poland continues to be a target of massive propaganda in the long-term political and propaganda concepts devised by NATO countries against European Socialist countries.

BULGARIAN RECEIVES CULTURAL CONFERENCE DELEGATES

AU171236 Sofia RABOTNICHESKO DELO in Bulgarian 12 Dec 86 p 8

[Text] Yordan Yotov, member of the BCP Central Committee Politburo and secretary of the BCP Central Committee, yesterday received the leaders of the delegations who participated in the scientific-theoretical conference of the Multilateral Socialist Countries Commission on the Theory of Culture, Literature, and Art History. The guests were briefed on topical tasks which the Bulgarian Communists and all our people are now coping with in implementing the decisions of the 13th BCP Congress.

ZERI I POPULLIT EXAMINES SOVIET-SFRY RELATIONS

AU191314 Tirana ATA in English 0932 GMT 19 Dec 86

["The Ties of Yugoslavia With the Soviet Union Consolidated" -- ATA headline"]

[Text] Tirana, December 19 (ATA) -- Under the above title the newspaper ZERI I POPULLIT carries an article written by Shaban Murati which says among other things:

Recently, the foreign press has attached a special attention to the Soviet-Yugoslav relations. A cause for this has been the frequent mutual visits of the high ranking delegations and the bilateral talks on questions that aim at consolidating the cooperation in the most different fields, political, economic, military, cultural, etc. Of special attention has been the visit in Moscow and the talks of the chairman of the Presidency of the Central Committee of the Communist League of Yugoslavia, Milanko Renovica, with Gorbachev.

This visit closes an intensive period of contacts, during which, as TANJUG informs, there has been a wide exchange of visits between the premiers, the foreign ministers and other members of the government. During summer alone, Mikhail Gorbachev sent two personal messages to the Yugoslav leadership, whose content is not yet made public; at the beginning of this month, Belgrade was visited by the chairman of the Committee of the State Security of the Soviet Union, Viktor Chebrikov, who signed also an agreement, according to which, as TANJUG said, "Yugoslavia and the Soviet Union will exchange information in the field of security for their countries, Europe and the world in general."

The communique on the high level Yugoslav-Soviet talks held in Moscow and the comments of the Soviet and Yugoslav press -- enthusiastically show of a further strengthening of the bilateral ties. The communique lays the stress on the consolidation and extension of the interparty relations and the continuous political dialogue between these two states. At the end of the visit, Renovica declared that "The relations between the two countries have reached a high level." On its part, the Soviet news agency, TASS, reported that "A new great leap has been made with regard to the development of the Soviet-Yugoslav collaboration." and that "The political base is created for further and stable development of the relations between the two countries." According to it, the talks between Gorbachev and Renovica gave "a new content" to the bilateral relation.

In Yugoslavia it is pointed out the fact that "The Soviet Union comprehends and supports the efforts of Yugoslavia in implementing its program on economic stabilization, the newspaper writes further on. [quotation marks as received] The Soviet Union, actually, takes from Yugoslavia all those commodities which the latter is unable to sell in the West because of competition and other factors. At the same time, the Soviet Union supplies Yugoslavia with considerable quantities of gas and oil, which, in other case, it had to find somewhere else through hard currency which it lacks.

According to the agreements concluded recently in Moscow the economic exchanges between the two countries in the coming 5 years will reach 36 billion dollars. The exchanges with the Soviet Union cover 27 percent of the volume of the Yugoslav foreign trade and the Soviet Union is the first partner of Yugoslavia in its foreign trade. The place the military supplies take in these exchanges is unknown, but, as the foreign press writes, they are considerable and are becoming ever more qualitative. Moreover, it is unknown the political weight of the economic facilities that the Soviet Union offers Yugoslavia, at a time when the latter has not yet come out of the economic crisis.

But, the stands and thesis of the Soviet foreign policy in the Soviet-Yugoslav joint communique found a public and official approval on the part of Yugoslavia. Fewer criticisms towards the foreign policy of the Soviet Union which were rather frequent before are being made in the press of Yugoslavia and in the speeches of its leaders.

The consolidation of the ties of Yugoslavia with the Soviet Union, the newspaper continues, is being accompanied with an intensification of its links with the Comecon. As TANJUG reports, the chairman of the permanent Yugoslav mission in the Comecon, Budimir Lazovic, informed on December 7 in Moscow the Comecon secretary, Vyacheslav Sychev, of a decision of the Yugoslav Government on the participation of the economic and research scientific organisations in the completion of some projects envisaged in the complex program of the technical-scientific program of the Comecon member countries up to 2000. As it is made known, this program of the Comecon envisages the further economic and political integration of its members, approved by the summit meeting held in Moscow last year.

"The cooperation, according to the program, aims at furthering the relations between Yugoslavia and the Comecon in general and the individual member countries," TANJUG writes.

Recently a qualitative intensification of the special relations between the Republic of Serbia and that of Russia in the Soviet Union is being noticed, thus reviving the old tradition. The first vice-chairman of the Presidium of the Supreme Soviet of the USSR, Petr Demichev, during his visit to Yugoslavia in October met only with the leaders of Serbia and Macedonia. Besides, observers pointed out that the premier of Serbia, Desimir Jevtic, who was on a visit to the Soviet Union in November, was welcomed as a head of state. The consolidation of the special ties between the Republic of Russia and that of Serbia was also an item which was discussed in the visit that the delegation of the committee of the Communist League of Belgrade, led by its chairman, Dragisa Pavlovic, made in Moscow. It had talks with Boris Yeltsin, first secretary of the party committee of Moscow.

The consolidation of the political, economic and other ties of Yugoslavia with the Soviet Union, which leads to the increase of the Soviet influence and presence in Yugoslavia, brings about new worrying elements in the atmosphere of the Balkans, which, even without them, is not quite calm. The interests of the peoples of the Balkans, of peace and security in this zone, the newspaper ZERI I POPULLIT writes in conclusion, want that the superpowers stay apart from them and not to approach and embrace them.

STALIN'S BIRTHDAY COMMEMORATED IN TIRANA

AU221828 Tirana ATA in English 1024 GMT 22 Dec 86

[Text] Tirana, December 22 (ATA) -- On occasion of 107th anniversary of the birth of J.V. Stalin, great Marxist-Leninist, the loyal disciple and worthy continuer of the immortal work of V.I. Lenin, various activities were organized in the capital.

Working people of work and production centers, pupils of secondary schools, Pioneers of Enver have visited the "Lenin-Stalin" Museum these days. Through the documents and photos displayed in this museum they have got acquainted with the figure of Stalin as a resolute fighter against revisionism, imperialism and reaction. Lectors of the museum have delivered the discourses "The PLA and Comrade Enver Hoxha, Loyal Defenders of the Figure and Revolutionary Work of J.V. Stalin", J.V. Stalin, Great Proletarian Internationalist, Outstanding Leader of the World Communist Movement", etc. The visitors have also seen documentary films devoted to Stalin.

Similar activites were also held in the Bistrice hydropower station, Sarande District, in Qytet Stalin, Berat District, and in the district of Shkoder.

SFRY'S IVANOVIC PAYS VISIT TO SHKODER DISTRICT

AU182000 Tirana Domestic Service in Albanian 1900 GMT 18 Dec 86

[Text] At the invitation of Faik Cinaj, chairman of the Executive Committee of Shkoder District People's Council, Ratko Ivanovic, president of the Executive Committee of the city of Titograd, has been paying a visit to the district of Shkoder. He visited economic and cultural sites in the city of Shkoder and the Enver Hoxha hydroelectric station at Koman. He left our country today.

TITOGRAD, SHKODER PLAY 'FRIENDLY' SOCCER MATCH

AU172005 Tirana Domestic Service in Albanian 1900 GMT 17 Dec 86

[Text] At the invitation of the Vllaznia Sports Club, the Buducnost soccer team of Tiograd arrived in Shkoder, with a group of sport lovers from their city. A friendly match was held today at the Vojo Kushi Stadium in Shkoder between Vllaznia and the Buducnost team of Titograd. Present at the match was Faik Cinaj, chairman of the Executive Committee of Shkoder District People's Council. Also present were Ratko Ivanovic, president of the Titograd Executive Committee, and Novak Pribicevic, ambassador extraordinary and plenipotentiary of the SFRY in the People's Socialist Republic of Albania. The match ended with a score of 2 to 1 in favor of Vllaznia of Shkoder, and goals were scored for Vllaznia by Bushati and Laci in the 9th and 29th minutes, and for Titograd by Martac in the 23d minute.

ALIA, MARKO, MALILE RECEIVED MEXICO'S ECHEVERRIA

AU211854 Tirana ATA in English 1016 GMT 21 Dec 86

[Text] Tirana, December 21 (ATA) -- The first secretary of the Central Committee of the Party of Labour of Albania and president of the Presidium of the People's Assembly, Comrade Ramiz Alia, received in the Palace of Brigades on December 20 before noon the outstanding Mexican personality, the former president of the United States of Mexico and now president and director general of the Center of Economic and Social Studies, Luis Echeverria.

Present in the reception were the vice president of the Presidium of the People's Assembly, Comrade Rita Marko; the minister of foreign affairs, Reis Malie; and the director of the Institute of International Studies and Relations, Prof. Sotokli Lazri.

Comrade Ramiz Alia thanked the former president of the United States of Mexico for the visit to our country. He said that you are an outstanding and sincere friend of the Albanian people because you have contributed to the consolidation of the friendly ties between Albania and Mexico and between our two peoples. [sentence as received]

On his part, Luis Echeverria evaluated the visit he paid to Albania as very fruitful, especially because he saw closely the achievemtns in our country. At the same time, he pointed out the progress of our country in different fields and stressed that the example of Albania is that of an independent country marching surely ahead and which has avoided the dependence on other states, phenomenon this [as received] which is suffocating today many countries of the world.

Comrade Ramiz Alia said that all possibilities exist so that the existing friendly relations between Albania and Mexico develop further in the field of trade, culture, art, science, etc. He pointed out the love and sympathy of the Albanian people towards the Mexican one, who are a people with revolutionary and patriotic traditions and with an ancient and rich culture.

Comrade Ramiz Alia acquainted the friend from Mexico with the present economic and social development of the country, with the struggle and efforts our people are making for the development and progress of the country, with the principles of our foreign policy and the stands of our country towards the present international questions.

During the talk opinions were exchanged on other problems of the present international situation.

Comrade Ramiz Alia underlined the evaluation that the former president of Mexico made of the experience of Albania in the economic and social development.

Luis Echeverria said that the visit he made to Albania was for him of a special value for study. The explanations you gave me, he said to Comrade Ramiz Alia, will be of great value to me. The road traversed by Albania is a rich experience for many countries of the world.

The reception passed in a cordial and friendly atmosphere. After the talk, Comrade Ramiz Alia gave a luncheon for Mr. Luis Echeverria and his collaborators.

Echeverria Departs

AU211741 Tirana ATA in English 1021 GMT 21 Dec 86

[Text] Tirana, December 21 (ATA) -- The outstanding Mexican personality, Luis Echeverria, former president of the United States of Mexico and now president and director general of the Center of Economic and Social Studies, left our country on December 20. He was seen off at the airport by the director of the Institute of International Studies and Relations, Prof. Sofokli Lazri; the chairman of the Albanian Committee for Culture and Friendly Relations with Foreign Countries, Jorgo Melica, and others.

Over his stay in the capital, the former president of Mexico, Luis Echeverria, visited the "Albania Today" Exhibition where he was received by the vice chairman of the State Planning Commission, Gani Qemo. Over this visit, Luis Echeverria took interest in the all-sided economic and social development of our country, the progress made in industry, agriculture, education, culture and health service. He expressed his admiration for these deep-going transformations and said among others that a scholar should visit this exhibition in Tirana which synthesises the development of Albania and to understand at this moment which are the bases for an independent development. [sentence as received]

Besides, Luis Echeverria went to the "Enver Hoxha" University on December 20. The rector of this university, Prof. Osman Kraja, acquainted him with the all-round didactic, educational and scientific work made in different faculties to prepare higher cadres.

ZHIVKOV'S RUSE SPEECH ON REGIONAL DEVELOPMENT

AU211621 Sofia RABOTNICHESKO DELO in Bulgarian 18 Dec 86 pp 1, 2

[Speech by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, at the plenum of the Ruse Okrug BCP Committee in Ruse on 17 December: "A New Approach in Territorial Development Is Required" -- capitalized passages published in boldface]

[Text] Comrades: Permit me first of all to convey to you most cordial greetings on behalf of the Politburo of the BCP Central Committee.

It gave me satisfaction to accept the instruction of the Politburo to take part in today's plenum of the Rose Okrug BCP Committee. The plenum has displayed complete unanimity in relieving Comrade Petur Petrov of the first secretaryship of the okrug BCP committee due to his transfer to other work, and also unanimously elected Comrade Ivan Vinkov to take his place.

I would like to wish Comrade Petur Petrov success in the responsible work which the Central Committee is entrusting to him as first deputy chairman of the Economic Council under the Bulgarian Council of Ministers. You all realize that this represents a high assessment of his work hitherto.

The Politburo is convinced that Comrade Ivan Vinkov, with the full support of the members of the bureau and the okrug BCP committee, will justify the great trust shown in him.

Comrades:

It is perhaps no exaggeration to state that ROSE OKRUG IS ONE OF THE UNIQUE REGIONS OF THE PEOPLE'S REPUBLIC OF BULGARIA. This fact is organically linked both with the PAST and the PRESENT of the okrug.

It is linked with the past because we cannot imagine our history without Ruse and the surrounding region. It is no accident that Ruse is called Bulgaria's "window" toward Europe and toward Russia -- our liberator. All this has left indelible traces in the development of this region, in its economy and culture, in the intellect and self-confidence of its people.

It is linked with the present because the region of Ruse reflects like a mirror the present-day appearance of Bulgaria and, in addition, is one of the constructive forces for our development.

IN THE COMBINATION OF THINGS OF VALUE FROM THE PAST WITH THE VIRTUES AND ACHIEVEMENTS OF THE PRESENT, LASTING, UNREPEATABLE FACTORS HAVE BEEN LAID DOWN FOR THE DEVELOPMENT OF RUSE OKRUG, FACTORS WHICH MUST IN NO WAY BE OVERLOOKED IN ANALYZING ITS PROBLEMS.

At the same time, all this presents, and cannot fail to present, certain claims on the Ruse region in connection with the question of its future, of the prospects for its development. For the past, present, and future form a dialectical unity.

IF WE CONSIDER THE MOST GENERAL CHARACTERISTIC OF RUSE OKRUG AT THE PRESENT, IT MUST BE SAID THAT THIS IS AN OKRUG WHICH IS DEVELOPING WELL.

A solid material-technical, social, and cultural base has been constructed. The okrug's contribution to the country's overall development increases with every passing year. In the okrug's economy, priority importance is being given to machine building, electronics, and the chemical industry. New production capacities were commissioned at the Heavy Machine Building Economic Combine, at the Ship-Building and Ship-repairing Combine, at the Combined Plants for Printed Circuit Boards and Testing equipment, at the Reduction Gearbox Plan, and so on. Some 12 small and medium-sized enterprises were commissioned. The yields from a number of agricultural crops were increased. The 5-year-plan figures were overfulfilled in the field of animal husbandry.

In addition, the working people's living standard is improving. During the 5-year plan period that has elapsed the per capita income of the population has increased by 23.7 percent. The consumption of basic foodstuffs and nonalimentary consumer goods has increased.

In certain areas Ruse Okrug distinguished itself in carrying out important, nationwide initiatives.

The 1986 plan is also being successfully implemented. According to certain quality indexes, such as social labor productivity, profits from nonagricultural organizations, and others, rates of growth from 14 to 21 percent higher than during the same period of 1985 were achieved during the last 11 months. The plan for commodity and net production was overfulfilled.

A technological center for vacuum technology equipment was established. Progress was marked in the mechanization and automation of processes in the agricultural sector.

THE RUSE OKRUG PARTY ORGANIZATION IS FIRMLY RALLIED AROUND THE BCP CENTRAL COMMITTEE AND REPRESENTS A STRONG SUPPORT AND MAINSTAY OF THE PARTY'S APRIL POLICY.

We cannot fail to be pleased about the successes of the Ruse area and of the Ruse Okrug party organization. These successes are the results of the selfless labor of Communists, United Agrarians, and of the non-party people and youths of the Ruse area. They are an expression of these people's socialist consciousness and of their lofty patriotism.

NEVERTHELESS, COMRADES, RUSE OKRUG IS TODAY FACING THE NECESSITY OF A DRASTIC CHANGE IN ITS DEVELOPMENT. A LIMIT HAS BEEN REACHED BEYOND WHICH THERE WILL BE NO FURTHER PROGRESS UNLESS IMPORTANT, NEW, AND URGENT PROBLEMS ARE PERCEIVED AND RESOLVED.

The majority of these are problems which our party has considered and is solving as a result of the 13th BCP Congress. These problems are facing the entire party and our whole country.

I am talking, above all, about the implementation of the strategic policy of achieving a qualitatively new economic growth, a growth in all spheres of our social development. We set ourselves the goal to achieve this qualitative improvement on the basis of the contemporary scientific-technical revolution, through an optimal use of intensive factors.

We are talking about the necessity of accomplishing comprehensive quality changes in production, in economic and social life, in the intellectual sphere, in the political system, and in administration. We are talking about an acceleration of the rates of our socioeconomic development, precisely through technological innovation and through a structural reorganization of the economy.

In this connection we assumed the task of promoting the further democratization of our society through the consistent application of the self-management principles at all levels and through the establishment of self-managing organizations.

All this requires a new quality in the human factor, in man's social activity.

We assigned ourselves higher, new goals in social policy with a view to satisfying more fully the material, intellectual, and social needs of the people.

These problems stem from the strategic trend mapped out by the 13th BCP Congress; they are expected to be discussed at the beginning of next week at a plenum of the BCP Central Committee. A package draft plan for the country's socioeconomic development during the Ninth 5-Year Plan period, as well as a draft code for economic activity, a draft statute for the associations, and a proposal for their establishment, will be submitted at the plenum.

Comrades, as we see, we are now entering a new stage in which we will face qualitatively new problems and tasks of our comprehensive development. These are problems and tasks that also face Ruse Okrug with the same urgency.

This urgency is due to the complexity of the tasks which are facing us, as well as to certain negative aspects in the economic sector of our okrug.

The technological innovation of several basic enterprises is being delayed. The level of fund yields is decreasing. The competitive quality of the industrial goods is poor. The use of basic equipment is further deteriorating and has assumed alarming dimensions. There are important social problems that remain unsolved. The question of air pollution and environmental pollution in the town of Ruse is particularly urgent.

The problems stemming from the strategic line of the 13th BCP congress are such that they cannot be resolved with the means of the past. This is one aspect of the question.

The other aspect is that the solution of the aforementioned problems requires more than a positive style and method of work. This aspect of the question is particularly important because the Ruse Okrug leadership has always traditionally distinguished itself by an efficient and businesslike approach to work. The present problems could not be resolved without this style of work. HOWEVER, WE SHOULD RELY NOT ONLY ON THE POSITIVE STYLE OF WORK -- ACTUALLY, IT WOULD BE A MISTAKE TO DO SO.

As is known, the style of work is not immutable either. It is particularly important to point out that the style of work is a function stemming from the approach to work.

IF A NUMBER OF VIEWS, CONCEPTS, APPROACHES, AND SO FORTH, ARE PRESERVED IN THIS OKRUG IN THEIR PRESENT FORM, AS THEY HAVE EXISTED FOR SEVERAL YEARS IN THE PAST, STAGNATION WILL TAKE PLACE. It is necessary to adopt new views, concepts, and approaches, likely to be in accordance with the new strategic line, likely to create prerequisites for a qualitatively new growth on the basis of the contemporary scientific-technical revolution. All this necessitates a reorganization, which must encompass all party, state, economic, scientific, and other leading organs and cadres. The reorganization must involve party work, as well, and the work of the okrug BCP committee above all other things.

Whenever we talk about the urgent problems of the okrug, the fact is of particular importance that the solution of these problems naturally depends upon the postulates, decisions, and approaches which are adopted at the national level. The decisions of the forthcoming BCP Central Committee plenum will be of tremendous importance in this respect.

It is, however, hardly necessary to prove that regardless of how good the decisions adopted on the national level are, they will by no means automatically change things in the okrug. It is urgently necessary in this connection to DRAW PARTICULAR ATTENTION to the manner in which the PROBLEMS OF THE INDIVIDUAL OKRUGS AND OF THE COUNTRY'S TERRITORIAL STRUCTURES must now be analyzed.

According to an established tradition, we have adopted the following procedure in our country: Following the adoption of decisions at high party forums, the okrug leaderships consider the implementation of these decisions as their chief task. In addition, the success of this approach depends to the greatest extent upon the ability to assess the specific character of the situation in a given okrug and in a given settlement system. This requirement is also being observed. However, this is by far not sufficient.

Following the 11 April plenum, and in the last 10-15 years in particular, we pursued policy of raising the economic, social, and cultural standards in all areas of the country. As you know, we have achieved considerable successes in doing so. This policy will continue to be the main focus of our attention in the future.

Nevertheless, we must say that today, under the conditions of a qualitatively new growth, we can by no means be satisfied by our hitherto achieved successes. IT IS NECESSARY TO ADOPT A BASICALLY NEW CONCEPT ABOUT REGIONAL STRUCTURES, INCLUDING OKRUGS.

I would not like to say that the presently existing territorial-administrative units in our country -- such as okrugs, settlement systems, and municipalities -- should be disbanded. The task is to search for and find new approaches and new methods of resolving their problems.

In this connection certain considerations about the necessity of basically new concepts for our capital were recently developed at a joint meeting of the Bureau of the Sofia City BCP Committee and the Sofia City People's Council Executive Committee.

THE CHIEF ARGUMENT DISCUSSED AT THIS MEETING WAS THAT SOFIA CANNOT REMAIN A CLOSED UNIT, DEVELOPING ITSELF AND EVOLVING AROUND ITS OWN RESTRICTED, ADMINISTRATIVE-PATRIARCHAL ATMOSPHERE. TO PUT IT MORE PRECISELY AND FIGURATIVELY SPEAKING, WE CAN SAY THAT SOFIA MUST OPEN UP TOWARD BULGARIA, JUST AS THE WHOLE COUNTRY IS OPEN TOWARD SOFIA. IT SHOULD NOT REMAIN A CLOSED CAPITAL SURROUNDED BY WALLS, SEPARATED FROM THE OTHER AREAS AND FROM THE WHOLE COUNTRY'S SOCIOECONOMIC AND INTELLECTUAL LIFE. No essential problem whatsoever can be resolved in Sofia unless it is linked to the achievements of the other areas of the country and to our overall economy. [paragraph continues]

The absence of such an approach is one of the basic reasons that numerous bothersome problems have been accumulated in recent years in our capital, and instead of being a leading city, Sofia is actually lagging behind.

On the other hand, this isolation of our capital prevents Sofia's production, scientific, and cultural potential from being used for developing the other areas of our country. In the meantime, however, certain okrugs have advanced and began to draw the "gray matter" from the capital, and this is understandable. It is impossible to implement a full-fledged development under the conditions of patriarchal narrow-mindedness and isolation; it is impossible, under such circumstances, to ensure a creative upsurge and to stimulate the cadres.

Sofia is not merely an administrative unit.

Sofia means Bulgaria.

This is precisely why it is necessary to adopt an entirely new concept for Sofia's development.

Without such a concept our capital will remain isolated, while numerous new problems will be accumulated, as they have accumulated so far.

THIS APPROACH IS NECESSARY FOR ALL OKRUGS IN OUR COUNTRY TODAY, INCLUDING RUSE OKRUG.

THE IMPLEMENTATION OF A NEW CONCEPT FOR REGIONAL DEVELOPMENT IS THE MAIN PREREQUISITE FOR THE DEVELOPMENT OF ALL TERRITORIAL STRUCTURES TODAY.

The following questions must be resolved within the framework of this concept: The question of accelerating technological innovation; the question of a qualitatively new growth; the question of increasing the efficiency of management; the question of stimulating the working people's activities, and so forth.

Certain basic factors are of particular importance at the present stage of development:

IN THE FIRST PLACE, it is of particular importance to overcome the so-called TERRITORIAL FEUDALISM in the development of our okrugs and settlement systems. This is a phenomenon which has been firmly established in all places -- in the way of thinking and planning, as well as in the economic and cultural sectors, and even in the people's mentality. We are now in the process of creating prerequisites to overcome "branch feudalism" which leads to a bureaucratic approach. "Territorial feudalism" is no lesser evil and represents an obstacle to the solution of new tasks.

This is why, in the light of our new approach, we also need BASICALLY NEW POSTULATES FOR THE REGIONAL COMMUNITIES IN THE PEOPLE'S REPUBLIC OF BULGARIA. Every okrug (and this applies to Ruse Okrug, in particular) must develop not as a mechanical sum of production units and settlement systems, but as a UNIFORM TECHNOLOGICAL AND SOCIAL COMMUNITY and must also form such communities with the other okrugs.

What is the situation today?

As a rule, our okrugs are developing independently. The philosophy has been adopted that the limits of SOCIOECONOMIC LIFE IN A GIVEN OKRUG IS DETERMINED SOLELY BY THE OKRUG'S ADMINISTRATIVE BORDERS.

This identification of administrative and economic structures has determined the practice of solving problems within narrow limits, regardless of the great difficulties which the okrugs encounter in certain cases. Something which is similar to the natural farming units[naturalni stopanstvo] of feudalism is thus being created. There is, for example, a pronounced tendency for EACH OKRUG TO "EQUIP ITSELF" WITH PRODUCTION PLANTS without taking sufficiently into account whether the existing technical equipment, which is quite expensive in certain cases, will be fully exploited. There is no or there is hardly any INITIATIVE FOR A JOINT SOLUTION of common production, infrastructure, cultural, educational,demographic, and other problems. There are only a few cases in which the managements of neighboring okrugs conduct PERIODICAL DISCUSSIONS of their regional problems. There are cases of nieghboring okrugs which are quarreling over the construction of certain enterprises and cannot agree upon it. SUCH DELAYS, HOWEVER, TAKE PLACE AT THE EXPENSE OF NATIONWIDE INTERESTS.

Things sometimes go so far that "NEUTRAL," "NO MAN'S LAND" ZONES MUST BE ESTABLISHED BETWEEN TWO OKRUGS, SO AS TO AVOID CONFLICTS BETWEEN THEM. It is paradoxical that mediators are needed to resolve such conflicts, and USUALLY THE CENTRAL PARTY AND STATE ORGANS, and in most cases the State Planning Commission, are playing the role of such mediators. WHAT, FOR EXAMPLE, WOULD BE THE ADVANTAGE OF A NEW APPROACH TO THESE PROBLEMS IN THE CASE OF RUSE OKRUG?

OBJECTIVE PREREQUISITES exist for joining together efforts and opportunities for developing different forms of cooperation and integration in the material and social spheres. Such opportunities are created by the following factors: the production, economic, and other links that have been established with other okrugs; the common interests and problems connected with the efficient utilization of resources, the material-technical base, equipment, and manpower; the specialization that has been developed and the existing differences in the production structure of these okrugs, which presuppose a drawing together in affiliated areas, as well as complementing each other through the exchange of technologies, activities, and so forth.

Important trends can be mapped too for the integration of the forces and possibilities of the individual okrugs on the basis of well analyzed and determined mutual interests and advantages. Why should we not seek better solutions to such problems with joint efforts through the following measures: coordinated actions for a more successful implementation and fulfillment of the obligations of okrug people's councils as UNIFORM INVESTORS IN THE INFRASTRUCTURE and others; consolidation of links between scientific-research, experimental, and development units for the drastic improvement of the CONTRIBUTION OF THE EXISTING SCIENTIFIC POTENTIAL OF SCIENTIFIC SERVICES to the economic sector in, let us say, the Ruse, Silistra, Veliko Turnovo, Razgrad, and Turgovishte Okrugs; joint agreements to establish a common basis for the PREPARATION, TRAINING, AND QUALIFICATION OF CADRES IN A GIVEN AREA; a certain specialization among okrugs in the field of local industry and in other branches with a view to their mutual assistance with the purpose of INCREASING production and EXPANDING THE VARIETY OF CONSUMER GOODS; RESHUFFLING PRODUCTION CAPACITIES AMONG OKRUGS IN CASES OF MANPOWER SHORTAGES WITH THE PURPOSE OF SERVING MUTUAL INTERESTS; broad expansion of the CONTRACTUAL SYSTEM of an okrug with other okrugs, with self-managing organizations, and with state organs for the solution of basic economic, social, cultural, and cadres problems at the level of a given territory, and so forth.

Other questions, as well, could be resolved with the same approach, such as: THE THOROUGH AND COMPREHENSIVE UTILIZATION of raw materials, the EXPLOITATION of processing plants; the optimal development and FLEXIBLE MANIPULATION of the construction basis, of the transportation means available, and so forth; the most efficient and sensible utilization of the NATURAL RESOURCES existing in our country, and of WATER FOR IRRIGATION in particular, as well as the ensurance of ECOLOGICAL BALANCE and the preservation of soil fertility.

This will enable us to resolve most efficiently the problems of specialization and production sharing, of structural economic reorganization within the limits of the okrug, and within the limits of a given area.

IN THE SECOND PLACE, THE PROBLEM OF OVERCOMING "TERRITORIAL FEUDALISM" DOES NOT MERELY AFFECT THE MUTUAL RELATIONS BETWEEN NEIGHBORING OKRUGS. THIS PROBLEM IS MUCH GREATER AND MUCH MORE PROFOUND.

Why is this so?

It is so because in the spirit of the new concept it is NECESSARY TO ENSURE AN OPTIMAL CONCENTRATION OF RESOURCES IN DECISIVE SECTORS IN ORDER TO OVERCOME THE DISSIPATION OF FINANCIAL MEANS, IN ORDER TO ENABLE EVERY OKRUG TO ACCOMPLISH BREAKTHROUGHS OF NATIONWIDE IMPORTANCE.

What is the situation in your okrug?

The situation is such that Ruse Okrug is widely known throughout the country as an okrug with positive achievements; however, no one can mention a leading national priority that has been created and established by this okrug. What will be the "Made in Ruse" asset that will represent Bulgaria on a nationwide scale and throughout the world? Can an okrug endowed with the lofty self-confidence of its citizens rely merely upon positive traditions?

Such questions concern the people in Ruse Okurg; they influence the people's correct education. As we know, Ruse citizens make high demands on themselves and are open-minded.

These questions concern not only the economy, but the people in your okrug and throughout the country.

The slogan as established for each okrug can be described as one for all and all for one. This means that each okrug must open its doors, adopt an open-minded attitude, and work for the other okrugs, and vice versa.

If the question is posed in this manner, we will obviously stop talking about "great" and "small," "strong" and "weak" okrugs.

The concept "okrug" is exceeding the limits which we adopted years ago. The characteristic trait of an okrug in the contemporary sense of the word in not ITS ADMINSTRATIVE STATUTE, BUT THE SOCIOECONOMIC AND INTELLECTURAL STRUCTURE THAT HAS BEEN ESTABLISHED ON ITS TERRITORY. This structure, however, is part of the national economy of the whole country; it is part of the country's life.

The concrete implementation of this strategy would enable Ruse Okrug to break out in several directions from its present isolation.

In THE FIRST PLACE your okrug can develop and drastically improve the standards of its scientific potential. It is no longer admissable to continue the present situation.

THE EXAMPLE OF PLOVDIV OKRUG IS INDICATIVE. Under the leadership of the BCP okrug committee and under the personal leadership of Comrade Ivan Panev, the first secretary of this okrug, scientific and scientific-production links are developing with great elan and on a long-term basis in this okrug. [paragraph continues]

These links include: biotechnologies; optical technologies, including laser equipment, molecular electronics [molekulyarna elektronika]; comprehensive automation of assembling work; new materials; and others. Along with the care devoted to existing higher educational institutions, branches of the Bulgarian Academy of Sciences and other forms of organization of scientific activities are developing in Plovdiv Okrug, and relations are being established with famous institutions and higher educational institutes in the Soviet Union and other socialist countries. Thanks to all this, progressive structural changes are being introduced in the okrug's economy, production based on scientific research is developing, and prototypes of new products are created in various sectors.

This, of course, does not imply that everyone should copy the "Plovdiv model!" The main thing for Ruse is to "open up" to the nationwide scientific front, so as to be able to develop respective integration links with Sofia and with other centers, at accelerated rates, and so as to promptly establish a solid, scientific potential. The experience of the "Angel Kunchev" higher technical school is indicative for the opportunities existing in Ruse. NEVERTHELESS, THIS IS BY NO MEANS A PREREQUISITE FOR FURTHER PROGRESS. The same applies to the OPPORTUNITIES OF RUSE OKRUG IN SOME FIELDS (for example, in mathematics) where certain unutilized traditions exist.

In the SECOND PLACE, on the basis of the existing electronic plants and heavy machine-building enterprise, Ruse could develop as a national center in these fields and as a basic center for the development and transfer of advanced technologies. However, the present state of affairs in this respect is no guarantee for such development.

Obviously, a new concept is necessary to achieve all this.

IN THE THIRD PLACE, the necessity is ripe to apply a new approach in THE DEVELOPMENT OF THE SETTLEMENT SYSTEMS.

The new element is that under the conditions of socialist self-management the settlement systems must function as SELF-MANAGING TERRITORIAL COMMUNITIES.

The issue is no longer the leading of the settlement systems by the okrug. The main thing is to create conditions for the settlements to achieve their MUTUAL INTEGRATION in order to solve the basic socioeconomic and cultural problems of the population in a given territory. Such an approach is particularly important today and necessary for the ESTABLISHMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES. In this area, too, we do not need any "no-man's-land" zones, in order to merge two or three settlement systems for the sake of a common goal. WE ARE IN FAVOR OF SMALL ENTERPRISES, WHICH HAVE MODERN STANDARDS AND A BROAD SOCIAL EFFECT. It is from this point of view that the questions of the development and enrichment of INTELLECTUAL LIFE in the settlement systems should be solved.

In the spirit of the decisions of the 13th BCP Congress, it is now necessary for the municipalities to move decisively forward, and TO RAISE THE MUNICIPALITY TO THE POSITION OF A SELF-MANAGING ORGANIZATION FOR THE POPULATION.

It is expedient for the municipality to become an organizer of broad-scale economic activity in the sphere of services and industry for man, as well as with the aim of creating all necessary economic conditions for expanding the activities at the levels of the enterprises, cooperatives, workshops, and so forth, according to the principle of territorial subordination. In the same direction, more aid must be rendered to the economic organizations in order to build and maintain the social, technical, and transportation infrastructure in the municipalities. It is necessary to ensure the real economic viability of the municipality, and it is to be elevated to the position of a SELF-MAINTAINING SOCIAL COMMUNITY.

It is also necessary for the municipality to be "OPENED UP" and to ensure its self-sufficiency on the basis of its own specialization and through production sharing with other municipalities.

All these considerations demonstrate how pressing the need is to further improve the entire party, state, and economic leadership in every okrug, in every territorial settlement system, and in every municipality.

IN THIS RESPECT, THERE IS A RADICAL NEED TO CHANGE THE APPROACH THROUGHOUT THE WHOLE CHAIN -- PLANNING, PROVISION OF RESOURCES, THE INVESTMENT PROCESS, RENEWAL OF TECHNOLOGIES, CADRE TRAINING, TRADING SERVICES, AND SO FORTH IN THEIR REGIONAL ASPECT. Ruse Okrug possesses the conditions and the possibilities to become a pioneer in applying such an approach in our country.

Comrades:

Allow me to briefly dwell on the contemporary international situation.

In my view, there have been two CENTRAL EVENTS in the international arena in recent times:

First, the Reykjavik meeting between Comrade Gorbachev and Mr Reagan; and

Second, the meeting in Moscow of the leaders of the fraternal parties of the CEMA member-countries.

I will start with the MEETING IN MOSCOW. This was an EXCEPTIONALLY IMPORTANT EVENT in the life of the socialist community, for the reason that this meeting examined in a spirit of frankness and trust KEY PROBLEMS OF THE THEORY AND PRACTICE OF SOCIALISM WHICH ARE OF FATEFUL SIGNIFICANCE for our countries, for the fraternal community, for world socialism, and for the fate of mankind. Important problems were examined which stem from the present-day situation, relating to INTENSIFYING THE ECONOMIC, POLITICAL, AND IDEOLOGICAL COOPERATION BETWEEN THE CEMA MEMBER-COUNTRIES AND MAKING CEMA A YET MORE EFFICIENT AND EFFECTIVE ORGANIZATION.

AT THE MOSCOW MEETING UNANIMOUS SUPPORT WAS GIVEN TO THE POSITION OF THE SOVIET UNION, AS BRILLIANTLY SET OUT AND DEFENDED BY COMRADE GORBACHEV AT REYKJAVIK.

We say, and are correct in saying, that we face a situation today which has no equal in history. It is determined by the fact that thermonuclear weapons are capable of annihilating man and the civilization he has created. Whether mankind will survive or not -- this is the cardinal problem.

You follow the press and the television and radio broadcasts, so I will not repeat what has already been made known.

What is the most important thing? It is first and foremost the fact that militarism is growing to gigantic proportions and threatening mankind. NATO, and more particularly the U.S. imperialists, are spreading militarism on land, on the sea, in the air, and in outer space -- in all directions. Also important is the fact that what did not exist 10 or 15 years ago, or if you like 5 years ago, is now in full swing. Mankind does not remember such a thing. I am referring to the case of nuclear militarism, and also have in mind the intentions to turn outer space into a nuclear base for a first strike against us, against the socialist countries.

But this is not all. A very important feature of contemporary militarism is also the development of ordinary, so-called conventional weapons. The Western NATO member-countries have in recent years increased their military arsenals several-fold and are developing a powerful military industry linked with war production.

In many regions of the world, regional military centers are being set up -- in South Africa, in the Arab East, in the Pacific Ocean region, in the region of the Indian Ocean, and so on. These centers have two aims: On the one hand, to act as guarantees for the robbery by the monopolies in the developing countries of the relevant regions; and, on the other hand, to undermine the established military parity.

Reykjavik is a great cause, which our Soviet comrades have accomplished.

What does this cause consist of?

The Soviet Union appeared WITH A PACKAGE OF PROPOSALS which could lead to a radical change in the situation in the world, to the benefit of detente and peace. No agreement was reached at Reykjavik. Nonetheless, the whole world was once again convinced that precisely THE SOVIET UNION IS A CONSISTENT INITIATOR for eliminating the thermonuclear danger. It became clear that the U.S. Administration is relying on the STRATEGIC DEFENSE INITIATIVE, which will lead to the militarization of outer space and the intensification of the arms race on a qualitatively new basis.

The course of events shows how great is the importance of MILITARY PARITY and, most of all, nuclear parity for preserving peace. We are consistent supporters of disarmament, but as long as a threat exists from the side of imperialism we are forced to maintain this parity.

In this context it is particularly worthwhile to note the Soviet Union's decision on a unilateral moratorium on nuclear tests, which has been in force for more than a year and a half. The nations gave a high assessment to this decision as an expression of peace-loving Soviet policy and the USSR's determination to create conditions for halting the arms race. The Soviet moratorium expires at the end of this year.

What should happen later?

It is logical that the Soviet Union cannot extend the moratorium infinitely, after the U.S. Administration has refused to join it and is not stoping nuclear tests. We, our party and government, would unreservedly support the Soviet Union's position if it decided to end the moratorium after it expires at the year's end, since the other side is giving no signs of good will or of new political thinking. It is especially important for THE ANTIWAR MOVEMENT TO EXPAND with fresh force, and to mobilize the widest circles, irrespective of their political, ideological, regional, national, or other differences, in the struggle for peace.

THE FOREIGN-POLICY COURSE AND THE INITIATIVES OF THE WARSAW PACT STATES ARE DIRECTED at overcoming the threat of thermonuclear war, stopping the arms race, and developing understanding and cooperation among nations.

In this context, MIKHAIL GORBACHEV'S VISIT TO INDIA deserves the highest assessment. It raised to a qualitatively new level the cooperation between the USSR and India both in the bilateral aspect and in the international arena. [paragraph continues]

Once again, it was confirmed in the most convincing manner that Soviet-Indian relations, which are being built on the sound foundation of the Treaty of Peace, Friendship, and Cooperation of 1971, are a primary factor for peace and security in Asia and throughout the world.

The DELHI DECLARATION that was signed is an expression of the new political thinking confirming to the realities of today's nuclear-space era. WE WELCOME THIS DECLARATION.

We also assess equally high the results of the EIGHTH CONGRESS OF THE NONALIGNED COUNTRIES IN HARARE. These results are an important contribution by the progressive forces of the "Third World" to the positive solving of the vital problems at the present alarming period. The conference was a clear and definite expression of the harmony of the anti-imperialist and antimilitarist forces of the Nonaligned Countries' Movement with the cardinal goal facing mankind, namely, to preserve world peace.

Comrades:

Despite the fact that the international situation continues to be tense, we ARE OPTIMISTS.

We are optimists because the forces of reason and peace are continuously growing, and they are capable of stopping the nuclear madness.

Our historical optimism stems from the great achievements gained hitherto by socialism and by the new prospects which are opening up before us in all fields of development. The congresses of the fraternal parties which have been held mark a new stage in the development of the socialist community. In this respect the 27th Congress of the CPSU is of historic importance.

Our historical optimism stems from the awareness of the great responsibility which socialism bears to world civilization, from the awareness that we are the true representatives of world progress, from the awareness that in the historical context time is working in our favor, and that we must make the maximum use of this time.

The workers in our country are firmly resolved to implement the plans and designs of the 13th BCP Congress and achieve the planned renewal and qualitatively new growth in the economy and the other spheres of society.

I would like to express the confidence of the BCP Central Committee that the workers and the Communists in Ruse Okrug, under the leadership of the okrug BCP committee, will make a worthy contribution to the flourishing of our dear native land, the People's Republic of Bulgaria.

BRIEFS

VARNA HOSTS SCIENTIFIC CONFERENCE -- An international conference opened in Varna yesterday. It is devoted to cooperation among ther socialist countries in the sector of instrument building for scientific research of the sea and is attended by delegates from Bulgaria, the GDR, Poland, and the Soviet Union. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 14 Dec 86 p 2 AU]

POTAC OUTLINES 5-YEAR PLAN TO ASSEMBLY

AU171511 Prague RUDE PRAVO in Czech 9 Dec 86 pp 3, 4

[Speech by Svatopluk Potac, CSSR deputy premier and chairman of the State Planning Commission, delivered at the joint session of the Federal Assembly's Chamber of Nations and Chamber of the People, in Prague on 8 December: "Speech By Comrade Svatopluk Potac at the Meeting of the Federal Assembly's Chambers"]

[Text] In accordance with the resolution of the 17th CPCZ Congress, the CSSR Government submits for constitutional discussion the draft bill of the State Plan for the Development of the CSSR's National Economy for the Period 1986-90.

Immediately following the approval of the bill on the Eighth 5-Year Plan by the Federal Assembly, the national councils discussed draft bills on the 5-year plan for development of the republics' national economies.

This legislative procedure, which also included the adoption of bill No. 115/1985 on the state plan for the development of the CSSR's national economy in 1986, concludes the process of preparing the Eighth 5-Year Plan.

The fourth session of the CPCZ Central Committee last week discussed the elaboration and the ensurance of the conclusions of the 17th CPCZ Congress in the Eighth 5-Year Plan and in the draft bill.

We are discussing the bill on the Eighth 5-year Plan during the final part of a year which will go down in the history of our socialist fatherland as a year in which the 17th CPCZ Congress determined the strategic line of accelerating socioeconomic development through intensification and carrying out qualitative changes in all spheres of society's life and of the national economy.

The conclusions of the 17th CPCZ Congress have met with the full support of the National Front and have also become its program. Our citizens expressed their assent to this policy in the elections to representative bodies, because it corresponds to their vital interests, creates conditions for a further marked enhancement of the standard of living, and a happy life for our people.

To successfully fulfill our plans and objectives, we need peace most of all. We highly value the consistent peace initiative of the Soviet Union, its endeavor to eliminate nuclear weapons, halt the arms buildup, reduce international tension, and strengthen mutual trust among states and nations. This fully corresponds to the wishes and aspirations of our people.

Together with the other socialist countries, we are taking an active part in this policy. The creative work and active participation of our working people in fulfilling the socioeconomic program of the 17th CPCZ Congress and the strong and efficient economic potential of our country are an integral part and an expression of support for this policy of the Soviet Union, and are enhancing the authority of socialist Czechoslovakia in the world.

The preparation of the Eighth 5-Year Plan, whose main objectives and fundamental tasks are contained in the submitted draft bill together with the conditions for implementing them, was carried out in the second half of the Seventh 5-Year Plan, when much effort was expended to fulfill the conclusions of the 16th CPCZ Congress

You deputies and our public know well what momentous problems and tasks had to be resolved in the previous 5-year plan in connection with the marked increase in costs related to the acquisition of domestically produced and imported fuels and raw materials, in overcomimg the lower harvest at the beginning of the 5-year plan, in restoring the external economic equilibrium, and in overcomeing discriminatory procedures on the part of the majority of the capitalist states vis-a-vis the socialist countries.

The Results of the Seventh 5-Year Plan Are Positive [subhead]

The Communist Party Central Committee and the goverment reacted to that new situation and to the more difficult conditions in the concept of the Seventh 5-Year Plan by making the investment and import policy stricter, by changing the structure of production and consumption and, above all, by an orientation toward intensification, increasing cost effectiveness, efficiency, and quality in all work. Bill No. 122/1981 on the Seventh 5-Year Plan also proceeds from that.

It is pleasing that, in discussing the bill on the Eighth 5-Year Plan, I can note that the targets of that economic policy, the objectives and fundamental tasks of the bill on the Seventh 5-Year Plan were -- on the whole -- fulfilled. The national economy adapted itself in principle to the new conditions in a fairly short time -- in the first 2 years of the 5-year plan, even though this was at the price of a planned temporary drop in the pace of development. The restoration of the dynamism of the national economy's growth as of 1983 ensured that its level was as determined by the 16th CPCZ congress. This made it possible to increase the standard of living compared with the assumptions of the 5-year plan.

Marked progress was achieved with regard to restoring the equilibrium of external economic relations, especially by paying off a greater part of debts in freely convertible currencies and by dealing with the consequences arising from high import prices.

The first, but still inadequate results were achieved in mobilizing of untapped resources in connection with efficiency and thrift. The national economy and our working people proved their ability to solve serious problems and fulfill tasks under substantially more demanding conditions. We are aware that there were also failures. It was necessary to overcome quite a few obstacles, shortcomings, and negative trends.

The habits surviving from extensive development, stereotypes, and sometimes even irresponsible attitudes were weakening the achieved results.

In the fourth election period, the Federal Assembly, its agencies, and individual deputies -- in their suggestions and recommendations, in making use of their experience from contacts with voters, and by applying the findings from the verification of adopted measures -- played an initiating role in implementing the bill on the Seventh 5-Year Plan.

The CSSR prime minister regularly submitted to the Federal Assembly government reports on the fulfillment of the government program, and thanked the deputies and the Federal Assembly's agencies for their commitment.

Members of the Federal Government and ranking personnel of ministries and central agencies also submitted reports on their activity to the Federal Assembly Presidium and the committees of the two chambers, discussed the fulfillment of state plans, and supplied information on conclusions they had adopted on the basis of recommendations of the Federal Assembly's agencies and individual deputies.

Taking the Path of Accelerating Development [subhead]

Compared with the Seventh 5-Year Plan, the 17th CPCZ Congress set a considerably more exacting program of economic and social development for the Eighth 5-Year Plan. This unequivocally arises from the demand voiced by Comrade Gustav Husak at the 17th congress: "The key question posed to us by the current stage of development from both the domestic and the international viewpoint is the need to accelerate the socioeconomic development of our society, to substantially increase the efficiency and effectiveness of the national economy."

The strategy of the acceleration of social and economic development is commensurate with the stage of building an advanced socialist society, with the transition of the economy to the intensive type of development in harmony with the growing needs of the national economy and in the interest of strengthening the CSSR's international position in the world. The well-being of and benefits for the population are the main purpose of the effort to achieve the fastest possible increase of the national income and the creation of material resources. Only a more effective and socially desirable creation of resources enables the further growth of the material and cultural standard of the people, stengthens their social certainties, and enables an improvement in the environment. It is a necessary prerequisite for increasing the country's economic potential, implementing structural changes, and modernizing and reconstructing the economy's technical base. It creates the requisite means for the necessary safeguarding of the country's defense capability and for the creation of national economic reserves needed to ensure the stability of the 5-year plan and the balanced development of the national economy.

The CSSR Government proceeded from this, and since as early as 1983 it has systematically devoted itself to preparing the 1986-90 state plan and to a long-term strategy up to the year 2000. In this connection, it assessed a great number of concepts and determined the line for and directions of the elaboration of basic documents for further economic and social development on the basis of comprehensive intensification and of new quality in economic growth, with the aim of accelerating economic development.

The line of acceleration through intensification of the economy, high efficiency, quality, and a thrifty approach is formulated in the State Plan for the Development of the National Economy for the Period 1986-90 and is contained in the draft bill for the Eighth 5-Year Plan. A specific example of this is the growth of the national income from 11.3 percent in the Seventh 5-Year Plan to 19 percent in the Eighth 5-Year Plan, and the considerable increase -- from 3.1 to 15.9 percent -- in used [uzity] national income for internal needs of the population, society, and the economy.

Economic Growth (in 1984 prices)

Growth Indexes in Percent			Volume
1985/80		1990/85	in the year 1990 in billions of Kcs
reality	draft bill on Eighth 5-Year Plan	state plan for Eighth 5-Year Plan	

Created gross national income	111.3	118-119	119.0	737
Gross national production	112.5(a)	115-118	115.8	941
Construction production	98.8	110	110.9	106
Gross agricultural production	109.2	--	105.6	120
total in 5 years	109.7	106-107	106.8	583 (b)
Personal consumption	105.0	111-112	111.9	324
Material costs of nonproduction sectors	121.6		113.7	141
Overall volume of investments				
total in 5 years	102.5	110-112	111.0	895 (b)

(a) 114.8 in 1977 prices
(b) volume for the 1986-90 period

When working on the Eighth 5-Year Plan and preparing the bill, we used the positive experience acquired in the course of fulfilling the tasks of the past 5-year plan, in the last 2 years of which we achieved an average annual growth in national income amounting to 3.3 percent. That development created a good starting point for a 3.5-percent growth in national income in this 5-year plan. Determining this dynamism also proceeds from the fact that great potential and untapped reserves, which we must mobilize, still exist in the national economy.

These reserves and this potential lie in a creative application of the economic rules of management and planning, in making use of fiscal-economic instruments, in people's initiative, in order and discipline, in markedly rising the responsibility and the standard of management work of ranking personnel and their apparatuses.

Mobilization of Creative Forces [subhead]

All-round intensification based on the mobilization of creative forces in the scientific research base, technological development in preparing new production and in innovation activity, and also the implementation of structural changes in branches and products -- while utilizing the advantages of the international division of labor -- forms the backbone of the concept of the Eighth 5-Year Plan and the draft bill. All-round intensification is the main source of the growth of national income, which is to be achieved with the present level of raw materials, energy, and material sources.

Nevertheless, compared with the majority of developed countries, the intensiveness of creation of national income remains high. This is a strategic problem which will be solved by the long-term development program now being prepared.

In the growth of the national income -- Kcs118 billion -- social labor productivity is to account for about 92 percent, and the growth of employment for only 8 percent. This result is to be achieved by a higher valorization of all input into production, by the increased efficiency of production factors, and thus by a considerable reduction in the proportion of the social product consumed by production. With respect to many indicators, these tasks are up to twice as exacting as the actual results achieved in the Seventh 5-Year Plan. In practice this means that, with the same quantity of raw and other materials, with the full utilization of production capacities, and with lower costs we must produce more quality products and more technically advanced products which will be sought after in foreign and domestic markets and which will elevate the standard of our economy.

Quality Indicators of Development

	(average annual development) Seventh 5-Year Plan reality	Draft Bill on Eighth 5-Year Plan	State Plan for Eighth 5-Year Plan
Growth of social labor productivity (in percent)	1.8	--	3.2
Proportion of national income's growth covered by social labor productivity (in percent)	81.6	92-95	92.0
Reduction of material-intensiveness of the creation of gross national income (a)	-0.7	--	-2.0
Reduction of energy-intensiveness of the creation of gross national income (a)	-1.5	-2.9	-2.9
National economy's demand for transportation (a)	-1.8	-1.9	-2.5
Reduction of the share of total costs in output (a)	-0.58	--	-1.16
Investment intensiveness of national income growth (Kcs of investments per Kcs[1] of national income)	12.3	--	7.60

(a) is expressed in differences between paces of development

The valorization process is the foundation of the high efficiency and the qualitative changes that have been initiated in the Eighth 5-Year Plan and the draft bill. It manifests itself, for example, in the fact that the new needs for primary energy resources are almost 90-percent covered by savings. The state's fuel-energy balance sheet is oriented toward higher-grade forms of energy, especially toward increasing the proportion of electricity from nuclear power plants, natural gas, and the central provision of heat, while reducing in a planned manner the extraction and consumption of steam coal and of heating oils. This will also show up in the improvement of the environment. [paragraph continues]

The need to keep in check the high costs connected with opening up new energy sources, which are a great burden on the national economy, requires that attention be concentrated on maximum thriftiness and the consistent fulfillment of state programs oriented toward rationalizing the consumption of fuels, energy, and metals.

Production Sector's Material Consumption Still High [subhead]

Saving metal is also an important factor in reducing the material- and energy-intensiveness of the creation of national income. In this respect good results have been achieved in some places. This is attested to by the fact that, in the 10 years between 1981 and 1990, when we are increasing engineering production, including electrotechnical production by 64 percent, the final consumption of ferrous metals is being reduced by 600,000 metric tons in absolute terms, that is, to 9 million metric tons in 1990. Despite that, consumption still remains high, a matter that, among other things, is obvious when we compare the per-kilogram prices of our engineering exports with the industrially developed countries.

The demand to markedly reduce the consumption of metals in our products is an urgent challenge for our planners, designers, and for workers in research and technical development, who decide on the development of advanced and high-performance machinery and technologies which have a longer productive life and better operational reliability. The intensification of metallurgical production, especially through improving the structure and range and by improving the quality of products while reducing steel production as planned, is also a part of saving metals.

The concept of the Eighth 5-Year Plan counts upon the sector of scientific-technical development participating more markedly in intensification and speedily becoming the preponderant factor of the intensification of the Czechoslovak economy.

The volume of production envisaged on the basis of the solved tasks of the plan for technical development and licenses is being doubled. Compared with economically developed states, however, this is still insufficient. The greatest proportion of production based on applied [realizacni] outputs from solved research tasks is oriented toward the development of a material-technical base for the computerization and application of electronics, toward automation of production processes using industrial robots and handling devices, toward introduction of new technological processes in metallurgy, toward development of small-volume chemistry, and toward utilization of domestic and secondary raw materials.

The control and effectiveness of scientific-technical development are being enhanced and made more efficient through our active participation in the realization of the Comprehensive Program for the Scientific and Technical Progress of the CEMA Member Countries Through the Year 2000.

To a significant degree this cooperation must influence our state goal-oriented and scientific-technical programs, and the comprehensive programs of branches, and must contribute to enhancing the effectiveness of our national economy.

In the Eighth 5-Year Plan the conditions and prerequisites are created for raising the effectiveness of scientitic-technical development, for which Kcs127 billion of investment and noninvestment resources and foreign exchange are earmarked, which constitute 3.9 percent of used [uzity] national income. It is necessary that these resources and sources be used meaningfully and effectively and concentrated on the priorities of the comprehensive program -- on computerization, comprehensive automation, development of nuclear engineering, assimilation of the production of new types of materials, and utilization of biotechnologies -- and on ensuring scientific-technical programs and those projects which have a future and which ensure the gradual attainment of world standards.

Consistent implementation of the role of scientific-technical development requires that it becomes the main component of the conceptual, managerial, and everyday practical activity of ranking personnel and a criterion of their efficiency, and that it bring about a marked effect on the national economy and enterprises, arising from the realization of intensification and innovation programs in individual economic organizations.

Structural Policy [subhead]

The orientation of structural policy, in which industry has an indispensable place, is being subordinated to the need to accelerate socioeconomic development and intensify the economy. This is, above all, a result of the fact that industrial production accounts for almost 80 percent of the national income's increase, and that the average annual dynamism of the national income ensured by industrial branches is 4.5 percent.

Industry cannot fulfill this task without purposefully carrying out structural changes, without expanding participation in the international division of labor. The proportion of specialization and cooperation with the CEMA countries currently exceeds 21 percent of the total exchange. Despite the fact that the results of coordination of the national-economic plans create scope for a further increase in this proportion, it is still insufficient. Within the framework of work on preparing the long-term outlook it is necessary to elaborate the programs of specialization and production cooperation with the individual CEMA countries in such a way that they correspond to the strategy of intensification which our entire community is beginning to implement.

The concept of the Eighth 5-Year Plan counts upon a high dynamism of those production sectors which are the catalysts of technical progress and which require skilled work; these are engineering, with dynamism of 30 percent, including the electrotechnical sector with 64 percent; small-volume chemistry; and pharmaceutical production. These branches account for 70 percent of the increase in industrial production, while the energy- and material-intensive branches account for less than 7 percent. Production within the framework of state, goal-oriented programs will more than double.

Among the particularly advanced types of production in engineering there is the development of those sectors which enhance the technical standard of our production base and ensure a substantial increase in the export potential of the traditionally export-oriented production programs.

These comprise, in particular, turn-key projects, automobiles, tractors, and transportation vehicles in general, printing and textile machinery, chemical and nuclear equipment, machine tools, and farming machinery.

A three-fold growth is envisaged in sectors that comprise the electronics component base and a more than two-fold growth in measuring, laboratory, and computer technology. The fundamental task of these sectors is to ensure enough products with a high technical standard for the computerization of our national economy.

The changes in the structure of what until now were the traditional heavy engineering sectors are also oriented toward higher utilization of the contributions of scientific-technical development. Production of electric locomotives will increase at a more than average pace -- by 58 percent; chemical equipment by 39 percent; and machine tools by 32 percent.

The main catalyst for the growth of the dynamism of development of the chemical sector will be small-volume chemistry that is thrifty with energy and makes the utmost of raw materials, especially the production of organic dyes, pure chemicals, pesticides, and pharmaceuticals, all of which will increase by more than 40 percent. Production of light [svetle] products, especially diesel oil and gasoline, will substantially increase.

Light industry production is to increase 15 percent. Here, the production of high-quality, fashionable, and attractive goods will grow faster. The proportion of products that do not require skilled work which will be substituted by becoming more effectively involved in the international division of labor, will be reduced. The role of the agriculture and food industry, whose fundamental task is to ensure and improve the nutrition of the people while at the same time increasing self-suffiency in food, plays an important part in the national economy. We continue to envisage that the growth of plant production will be faster than that of animal production. Therefore, compared with the Seventh 5-Year Plan, we count upon increasing grain production by an average of 570,000 metric tons annually. This year's lower harvest increases this task in the coming years. Food production must be oriented toward maintaining and further enriching the market, especially with quality goods and by expanding their range in a structure which the population demands.

The results achieved in the preceding 5-year plan affirmed that in the agricultural-food complex there also exists further potential for intensification and for raising the effectiveness and quality of production. Through making use of this potential, and with a production increase of 6.8 percent, in the Eighth 5-Year Plan we envisage a 3.8-percent average annual growth in national income in agriculture.

The construction sector is oriented toward the fulfillment of important tasks in capital investment at home and abroad, toward modernization, reconstruction, repairs, and maintenance. The measures adopted to stabilize the number of workers in the construction sectors, which thus far have had little effect -- the planned number of workers at projects still has not been attained -- are to contribute to the fulfillment of these tasks. We assume that the number of workers in construction enterprises will increase by about 20,000.

With respect to the considerable untapped potential, what applies to other branches applies to an even greater extent to the majority of the construction organizations. Considerable potential still exists, especially in organization and rationalization, in carrying out investment work, in the utilization of production factors, in quality, order, and work discipline, be it in the construction or the nonconstruction organizations. With the active participation of trade union agencies and organizations, responsible personnel must adopt concrete measures aimed at mobilizing this potential with the objective of improving the overall situation in the construction sector, in capital construction, and in particular, must shorten the construction deadlines and reduce the number of unfinished projects. To do this, it is necessary to have the proper machinery and efficient construction technology.

On the basis of these measures and with a consistent allocation of investments in accordance with the principles governing investments, planning commissions, together with the investors' and suppliers' sectors, must substantially reduce the strain in the investment balance sheet.

Cooperation With the USSR Is Vital [subhead]

The targets and tasks of the Eight 5-Year Plan and of the draft bill are immensely exacting with respect to intensification and structural changes. [paragraph continues]

They are difficult in that they are to be realized, in principle, from the economy's internal resources and concurrently with a further rise in the people's standard of living. These momentous tasks can be realized only by involving our economy more profoundly and more effectively in the international division of labor, especially in the integration process of the socialist countries. The results of the coordination of the CEMA countries' national economic plans have positively influenced the concept of the Eighth 5-Year Plan. In the Eighth 5-Year Plan our trade turnover and economic cooperation with these countries represents roughly Kcs1,360 billion, which corresponds to the current annual volume of all our production.

The Soviet Union accounts for the largest part of this turnover -- Kcs832 billion -- a matter that is of vital importance for our economy, because fuels and raw materials account for 75 percent of our imports, whereas 87 percent of our exports to the USSR consist of products of the manufacturing industry.

All CEMA countries have embarked upon the path of intensifying their economies. This gives new quality to the integration process of the socialist countries. The conclusions of the economic summit of CEMA member-states in June 1984, the December 1985 Comprehensive Program for the Scientific and Technical Progress of the CEMA Member Countries Through the Year 2000, the conclusions of the recent 42d CEMA session, and the meeting on the highest level held last November determine the new direction of mutual cooperation and of restructuring our community's economic relations. These are new impetuses and stimuli of which we must make full use, because they unite the interests of the effective development of the community of the CEMA countries as a whole with the interests of the individual national economies.

The centerpiece of the socialist countries' cooperation is being shifted from the interbranch exchange to the intrabranch exchange and to the comprehensiveness of cooperation -- beginning with scientific-technical development, via production, all the way to ensuring the realization of production. It is correct that stress is being put on a higher technical standard, on the quality of mutually delivered production, and on the expansion of production specialization and cooperation.

New Quality of Integration [subhead]

The forms of mutual cooperation are gradually changing due to the shift toward establishing direct relations between enterprises and toward setting up joint ventures. From this point of view, it can be seen that the 24-percent dynamism of the planned turnover of goods exchange is inadequate.

Vis-a-vis the nonsocialist countries, the Eighth 5-Year Plan is counting on a 15-percent growth in turnover, and on a substantial change occurring in the structure of exports. The exports of the manufacturing industry, particularly of engineering, are being markedly increased -- by 47 percent. In contrast, exports of raw materials are to be reduced by 14 percent. The need to reduce exports of raw materials, to grant new credits connected with exports and the long-term ensurance of fuels and raw materials, and to continue paying off loans taken earlier in freely convertible currencies requires maximal thriftiness and valorization of imports.

It is also true for us, and to an even greater extent, that only an economy which adapts itself in time to trends in world scientific-technical development and which concentrates its research potential and advanced technologies on a selected range of products which have a good chance of a very good and a more lasting position on world markets will profit from having joined the international division of labor.

For this reason, the necessity to narrow down the range produced comes particularly urgently to the fore in the new conditions of the world economy and at the stage of the new quality in socialist economic integration.

The exporter-producer can no longer be seen solely as a producer of foreign exchange.

He must become a factor in effectively shaping a modern production structure through specializing more profoundly in international economic relations. Therefore, in order to support the effective modernization of production and to enhance its technical standard, and in order to expand mutually advantageous cooperation between our enterprises and companies in the nonsocialist countries, we count upon a more extensive utilization of cooperation and license policy.

Technical Investment Priority [subhead]

The enforcement of all-round intensification through scientific-technical progress, structural changes, and through the new character of our participation in the international division of labor qualitatively changes the demands on the orientation and structure of investment development in the Eighth 5-Year Plan.

The priority need for the technical modernization of our production base is becoming the fundamental line of an active investment policy. It is expressed by increasing the volume of machinery and equipment by 35 percent compared with the Seventh 5-Year Plan, and by reducing the volume of construction work by 6 percent.

It is know that capital construction is an old problem of our national economy for a number of subjective and objective reasons. Planning agencies are subject to immense pressure by demands for investments on the part of ministries and regional national committees, and these, in turn, are subject to pressure from economic production units, enterprises, and national committees at all levels. This, for example, is attested to by the fact that in the drafts of economic plans for the Eighth 5-Year Plan, investors demanded -- at variance with directives -- an additional Kcs200 billion for newly started capital construction projects, that is, almost 60 percent more.

The majority of the investments demanded continue to have an extensive character. When assessing the effectiveness of capital construction we must consistently insist that, in terms of their technical-economic standard, the new investments must be comparable to similar capacities in the world at the time they go into operation. The criteria of national economic effectiveness and rapid amortization of expended resources must be strictly observed. Investments which do not fulfill these criteria, and which are not necessary from the social point of view, must not be permitted.

Capital contruction is the weakest spot in the effective functioning of our national economy. The fourth session of the CPCZ Central Committee criticized the poor state of affairs in capital construction and demanded that long lasting shortcomings be comprehensively resolved.

The overwhelming part of investments will go to the basic branches of the national economy and will be used to strengthen structural changes. The investment resources earmarked for the production sphere are destined, in particular, for the development of the electrotechnical sector, of small-volume chemistry, and of selected branches of the engineering, consumer, and food industries, for structural changes within the fuel-energy complex; and for modernizing the metallurgy sector. [paragraph continues]

In the nonproduction sphere, preference is given to the needs of ecology, health care, and comprehensive housing construction. Compared with the Seventh 5-Year Plan, investments in the electrotechnical industry are being doubled, in the chemical industry they are being increased by almost 40 percent, in transportation and communications by 17 percent, in the food industry by more than 25 percent, and in nuclear engineering by 72.5 percent.

In addition, to investments allocated to them by the state plan, using returnable foreign exchange credit, economic organizations can make use of about Kcs33 billion for investment, for foreign exchange and financial incentives [na devizovou a financni zainteresovanost], and for purchasing special-purpose machines.

The tasks in phasing out and liquidating worn out and written-off capital assets are part of the effort to raise the technical standard of the production base. Compared with the seventh 5-Year Plan, the extent of these phased out machinery capital assets is to increase industry by 64 percent; construction by 53 percent; agricutlure by 93 percent; and engineering by more than twofold. Despite this, the phasing out should be more extensive and should be expanded to include capital assets that are highly effective from an economic point of view, especially entire obsolescent production lines.

The Growth in Living Standards [subhead]

Resources which have to be acquired by accelerating the creation of the national income form the basis of the increased standard of living. Personal consumption is to increase by more than twofold when compared with that of the Seventh 5-Year Plan, and social consumption by 22 percent.

People's incomes, which will increase approximately 15 percent in 5 years, will be the decisive basis for the increased standard of living. Income from wages accounts for the main proportion.

It will be necessary to fully push through the principle that honest work is the sole source both for the creation of values for society, and for an improved standard of living for each of us. This is why measures will be speedily introduced in the Eighth 5-Year Plan which will link the level of wages more closely with the work and the economic results achieved.

In remuneration for work, the aspects of long-term assessment of productivity, quality and, in the case of ranking personnel, their creative approach in particular, will be strengthened.

It is necessary to overcome the surviving egalitarianism in remuneration, which usually has subjective roots. In this, the brigade forms of organization of work and remuneration play an important role. Only in this way, can we achieve closer harmony between the growth of wages and that of labor productivity, which is the fundamental prerequisite for the equilibrium of the domestic market.

It will be necessary to achieve a situation in which economically justified incomes and wages on the one hand, are balanced by a well supplied domestic market with a broad range of goods and quality services on the other. Such a domestic market and services are important stimuli for an interest in wages and thus also in better work results. Increasing the quality, the necessary standard, the range, and the flexibility of supplies to the domestic market is a prerequisite for this.

In the course of the 5-year plan, retail trade turnover will increase by more than 14 percent, while its structure will change through increasing the proportion of sales of industrial goods.

In the sale of foodstuffs, further qualitative changes will be carried out, aimed at asserting the demands of healthy [racionalni] nutrition. This will show up in the stagnation of the consumption of fats, cereal products, and sugar. On the other hand, consumption of fruit and vegetables, tropical fruit, nonalcoholic drinks, and delicacies will increase. The per-capita consumption of meat will increase by 2.5 kg to 88.5 kg in the 5-year period.

Sales of new and innovated types of durable industrial goods will markedly increase.

We expect that the average annual sales of passenger automobiles will reach 120-140,000; color television sets, 180-230,000; refrigerators and deep freezers, 480-600,000. We envisage bringing onto the market compact discs and compact disc players, videorecorders, personal computers, and other consumer electronic products.

Cooperation Between Trade and Production [subhead]

It is necessary to deepen and make more flexible the collaboration between trade and production, to improve the performance of the trade sector and the conditions for its activity, and to consistently respect the customers' demands. Production and services must offer new and qualitatively better products and services, and thus revive customers' interest.

Parallel with the policy stressing the dependence of the growth of personal consumption on one's contribution to work, the Eighth 5-Year Plan envisages a further perfection of the existing broadly-based system of social measures.

Increasing resources to supply the nonproduction sphere with material [materialni vybaveni], which will represent a 25-percent increase in the course of the Eighth 5-Year Plan, is a part of the care for increasing and improving the standard of living. Investments in the tertiary sphere are being increased by Kcs29 billion, to a total of Kcs412 billion. In the sphere of health care, material expenditure is being increased by Kcs6.2 billion, that is, by more than 41 percent; in education and culture, by Kcs3.5 billion, that is, by 21 percent; in services and housing economy, by Kcs4.4 billion, that is, by 29 percent.

The earmarked resources and the planned higher number of workers [pracovnici] must be deployed more meaningfully, and far more effectively, in order to improve the services provided. The importance we attach to the development of the tertiary sphere is also attested to by the fact that the number of workers here will increase by 144,000 in the course of the 5-year plan. For example, the number of employees in health care and social security will increase by 35,000; in education, by 19,000; and in domestic trade and public catering, by 24,000.

To ensure the conclusions of the 17th CPCZ Congress, the Eighth 5-Year Plan contains reserves for some urgent social measures. Their gradual realization depends on the resources created.

In accordance with the concept of housing policy for the Eighth 5-Year Plan, approved by the Presidium of the CPCZ Central Committee and the CSSR Government, we are ensuring the construction of 482,000 apartments and the modernization of 30,000 apartments. In this we must consistently ensure comprehensiveness of housing construction, which is often ignored in practice.

Considerable resources are being devoted to protection and improvement of the environment, which is the integral part of our society's investment in generally enhancing the standard of living and care for man. In addition to the Kcs17 billion earmarked for independent investment actions of an ecological nature -- an amount which has been doubled compared with the Seventh 5-Year Plan -- in the Eighth 5-Year Plan considerable resources are being expended on preventing the environment from deteriorating through the fault of further new industrial projects.

The role of national committees in ensuring comprehensive social and economic development on territories which they administer must be energetically enhanced. They must consistently implement their election programs and thus contribute to satisfying the legitimate needs and interests of citizens, and to resolving their everyday problems.

We have allocated more than Kcs22 billion to support citizens' initiatives and to implement election programs in the action "Z" [community self-help]. These resources must be used meaningfully, especially for actions which will contribute to improving the environment and to solving the urgent economic and social needs of constituencies.

Improving Management and Planning [subhead]

The exacting problem of the Eighth 5-Year Plan is not devoid of risks and problems. At present, ministries are discussing the economic plans of economic production units, and are to confirm them by the end of the year. Inadequate quality, unresolved problems, the undemanding programs of the intensification plans of some economic production units and enterprises constitute the main risk to fulfilling the exacting tasks of the state plan and the bill on the Eighth 5-Year Plan.

What is involved, in particular, is ensuring the planned reduction of what is consumed by production; reducing the number of unfinished capital construction projects and shortening construction deadlines; maintaining the planned level and structure of inventories, profitable exports to the nonsocialist countries, grain production; and fulfilling the tasks as regards the growth of social labor productivity.

There are spheres on which we must concentrate the full attention of the managing agencies, so that they won't weaken the realistic nature of the tasks of the Eighth 5-Year Plan. Concerning these, Comrade Gustav Husak said very clearly at the fourth session of the CPCZ Central Committee: "Regarding their realistic nature, all comparisons of the raw material-, energy-, and material-, and investment-intensiveness of our economy with the industrially developed countries show that we are working with considerable reserves. This also applies to the level of labor productivity and of production quality. Utilizing these reserves is the prerequisite for a turn in the intensification of our economy. From the viewpoint of needs, this turn is necessary: From the viewpoint of possibilities, it is realistic."

Therefore, the overseeing agencies must very responsibly check the standard and quality of the submitted economic plans and approve only those which are in full harmony with the line of the 17th congress, with the tasks determined in the state 5-year plan, and contained in the draft bill.

In order to fulfill the targets and plans of the Eighth 5-Year Plan and the draft bill, it is necessary to creatively utilize and implement the existing rules of management, planning, and financial-economic instruments, as well as all new measures which will be implemented as of next year and in the course of the Eighth 5-Year Plan.

The political report of the 17th CPCZ Congress determined the need to "systematically perfect the system of planning and the management of the economy, and gradually restructure the economic mechanism."

Restructuring the Economic Mechanism [subhead]

The fourth session of the CPCZ Central Committee discussed the elaboration of this task and determined the further course. Restructuring the economic mechanism with the orientation toward mastering scientific-technical progress, structurally changing and technical retooling our production base, and meaningfully and effectively joining in the international division of labor are some of the vital prerequisites and conditions for the economy to make a transition to an intensive type of development. In this connection, beginning next year, the Comprehensive Experiment Aimed at Increasing the Independence and Accountability of Economic Organizations For Effective Development will be carried out in selected organizations.

The development and fulfillment of the state plan this year, when it is seen that the turn toward comprehensive intensification of the national economy is exceptionally difficult and complex, again convinces us of the urgency of this course.

The fundamental trends connected with entering the 5-Year Plan show that development is very differentiated and in various spheres of the economy it is imbalanced. On the one hand, it is necesary to positively assess the continuing higher dynamism of economic developmenmt which has begun in the last years of the Seventh 5-Year Plan and which is seen mainly in the growth of the overall volume of production and of the standard of living. On the other hand, however, the structure of production and its utilization does not correspond to the, from the social viewpoint, desirable and planned proportions. And the fact that the fulfillment of qualitative indicators lags far behind plan is especially serious.

To put it concisely: The process of intensification is lagging behind the targets of the 17th CPCZ Congress.

Shortcomings in fulfilling this year's plan increase the exactingness of the tasks of the 1987 state plan, which puts much greater stress than was the case with this year's plan on deepening the process of intensifying the economy and on further enhancing the effectiveness of its development.

The fourth session of the CPCZ Central Committee discussed these issues openly and critically, and adopted a resolution whose consistent fulfillment will be the guarantee that the results of 1987 will be in full harmony with the conclusions of the 17th CPCZ congress.

Activation of the Human Factor [subhead]

The successful realization of all plans in the economic and social sphere, in the system of management and planning, and in the economic mechanism is unthinkable without the activation of the human factor. Great responsibility rests on the shoulders of managing cadres, who must make profoundly competent decisions and win over their fellow workers and all working people to fulfill tasks with initiative.

An active approach by economic management, together with the agencies of the Revolutionary Trade Union Movement, toward organizing work initiative aimed at concrete fulfillment of the Prague Appeal and the appeal of the Central Trade Union Council to exceed planned labor productivity by 1 percent, reduce material costs by 0.5 percent, and improve the quality of manufactured production with the help of counterplanning, will be of significant assistance when it comes to fulfilling the exacting tasks.

The concept and the legal make up of the draft bill on the Eighth 5-Year Plan corresponds with the constitutional and other legal norms related to the bill on the 5-Year Plan, especially to Sections [clanek] 10 and 36 of the Constitutional Bill on Czechoslovak Federation and Article 7 of Bill on National Economic Planning No 145/1970.

By adopting the submitted draft bill, the Federal Assembly will approve the basic objectives, tasks, and conditions of realizing economic and social development up to the year 1990.

The draft bill ensures the objectives and targets determined in the Programmatic Statement of the CSSR Government at the second joint meeting of the Federal Assembly's Chamber of the People and the Chamber of Nations.

The bill entrusts the governments, central agencies of the state administration, agencies of economic management, and socialist organizations with the task of concretizing the fundamental targets and tasks contained in it, and elaborating in all contexts the necessary procedures, solutions, and measures to consistently ensure the bill.

Permit me to thank you for your interest, your active approach, suggestions, and recommendations, especially regarding the preparation and discussion of the submitted draft bill on the Eighth 5-Year Plan. On behalf of the CSSR, I want to assure you that in carrying out its functions, the government will implement the necessary measures and create conditions for the bill's successful fulfillment.

In the name of the CSSR, I recommend that the Federal Assembly approve the submitted draft of the bill on the Eighth 5-Year Plan.

PRAGUE COMMITTEE ELECTS NEW PARTY OFFICIAL

AU191549 Prague VECERNI PRAHA in Czech 15 Dec 86 p 2

[Summary] At its plenary meeting in Prague on 11 December, the Prague CPCZ City Committee elected Miroslav Stepan secretary and member of the Secretariat of the Prague CPCZ City Committee.

STOPH, SINDERMANN ATTEND 17 DEC VERNER FUNERAL

LD182106 East Berlin ADN International Service in German 1552 GMT 17 Dec 86

[Text] Berlin, 17 Dec (ADN) -- At a funeral ceremony of the SED Central Committee and the GDR State Council today the party, state and people said farewell to Paul Verner, member of the SED Central Committee and of the GDR State Council. The life of struggle of the Communist, who from his earliest youth fought steadfastly and in full awareness for the noble goals of the party of the working class, for socialism on German soil and for peace and international understanding in the world, ended on 12 December.

Together with the widow and other relatives, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and other party and state leaders commemorated the loyal comrade-in-arms. Also taking part in the ceremony were Herbet Mies, chairman of the DKP; and Dietmar Ahrens, deputy chairman of the SEW. Among the mourners were representatives of the churches, such as Manfred Stolpe, deputy chairman of the Conference of Evangelical Church leaders in the GDR.

The funeral oration was given by Horst Dohlus, member of the Politburo and secretary of the SED Central Committee. After this the urn with the ashes of the departed was interred in the Memorial to the Socialists in Berlin-Friedrichsfelde with military honors. It has been given its place in the wall of the memorial to the outstanding revolutionary fighters of the German and the international workers movement.

The participants in the funeral ceremony in the Central Committee building formed themselves into a long procession outside the memorial to accompany Paul Verner on his last journey. At this place, rich in tradition, the pylons were lit and guards of honor took their positions.

To the strains of the march "Immortal Victims" the mourners moved from the gate through the grove of honor. Together with the widow and the relatives, Erich Honecker, Willi Stoph, Horst Sindermann and the other party and state leaders and mourners walked through a guard of honor of the Felik Dzerzhinskiy Guards Regiment to the cinerarium, where a guard of honor presented arms. Soldiers were in the front carrying wreaths. On the red ribbon of the Central Committee wreath were the words: "To the unyielding fighter for the cause of peace and socialism, our Comrade Paul Verner."

NATIONAL GROWTH STATISTICS FOR FIRST 11 MONTHS

AU111125 East Berlin NEUES DEUTSCHLAND in German 6-7 Dec 86 p 1

[Text] Berlin (ADN) -- Due to outstanding performances of the working people, the high performance increase in the national economy was continued in November in implementing the course of the 11th SED Congress. According to preliminary statistics, the national income had increased by 4.3 percent by the end of November.

In industry:

-- net production increased by 8.5 percent
-- labor productivity by 8.8 percent
and
-- industrial goods production by 4.3 percent.
-- Costs were reduced by 1.8 percent.

In implementing the economic strategy of the 11th party congress, the broad application of key technologies is continuing at a high pace. By the end of November, 9,740 personal and office computers had been produced in addition to the plan. Compared with the same period last year, the growth rate is 148 percent. The production of optical fiber cables increased by 448 percent. The production of monolithic integrated circuits increased by 28 percent and of optoelectronic semiconductor components by 20 percent.

In the construction sector, net production increased by 6.1 percent and labor productivity by 6.9 percent. Costs were reduced by 1.8 percent. By the end of November, 193,153 apartments were built and modernized. In the capital of Berlin, 29,064 apartments were completed.

In agriculture, the state procurement of slaughter animals increased by 2.1 percent, the overfulfillment of the plan was 55.4 metric kilotons. The state procurement of milk increased by 3.7 percent and of eggs by 1.1 percent. The plan overfulfillment for milk was 482.8 metric kilotons and for eggs, 56.2 million eggs. In the foodstuffs industry and agricultural technology, net production increased by 7.0 percent.

Compared with the same period last year, retail trade turnover increased by 4.2 percent, including industrial goods by 6.0 percent.

In the individual sectors of industry, the following growth in net production and labor productivity and the following reduction in prime costs per M100 of goods production were achieved by the end of November:

	Net Production	Labor Productivity	Reduction in Prime Costs
	in percent		
Coal and energy	6.6	5.8	2.4
Ore-mining, metallurgy, and potash	10.3	10.7	2.1
Chemical industry	5.2	5.9	0.4
Electrotechnology/electronics	13.9	14.1	3.5
Heavy engineering and installation construction	9.2	9.5	2.4
Machine tool and processing machinery building	11.7	12.1	3.4
Light industry	5.1	6.3	0.7
Glass and ceramics industry	7.3	7.8	2.0
Bezirk-administered industry and food stuff industry	8.5	8.7	1.5
Geology	9.6	7.3	3.7

In the bezirk-administered industry, the following growth in net production and production of finished goods for the people and the following reduction in prime costs per M100 of goods production were achieved:

	Net Production	Finished Products for the People	Reduction in Prime Costs
	in percent		
East Berlin	13.9	6.3	2.6
Cottbus	10.2	7.2	1.7
Dresden	10.9	5.2	2.3
Erfurt	12.5	6.1	2.5
Frankfurt	8.4	9.6	2.1
Gera	11.8	4.9	2.5
Halle	9.5	5.8	1.8
Karl-Marx-Stadt	8.2	4.8	1.9
Leipzig	9.1	2.9	2.1
Magdeburg	12.2	4.6	2.3
Neubrandenburg	7.9	3.6	0.8
Potsdam	11.8	4.1	2.0
Rostock	7.9	6.8	1.2
Schwerin	12.0	6.6	2.2
Suhl	11.0	5.8	2.3

BRIEFS

LDPD BEZIRK CHAIRMEN -- The besirk committees of the Liberal Democratic Party of Germany (LDPD), which were newly elected on 13 December at the LDPD bezirk delegates conferences for Cottbus, Frankfurt, Karl-Marx-Stadt, Magdeburg, and Suhl, appointed the members of their secretariats and elected the following chairmen: Cottbus -- Johannes Kney (reelected); Frankfurt -- Guenter Steinhoefel (reelected); Karl-Marx-Stadt -- Christian Renatus; Magdeburg -- Peter Moreth (reelected); Suhl -- Peter Geier. [Summary] [East Berlin DER MORGEN in German 15 Dec 86 p 3 AU]

BUCHAREST RCP DELEGATION -- On 4 December Guenter Schabowski, first secretary of the Berlin Bezirk leadership and member of the Politburo and secretary of the SED Central Committee, received a delegation of the Bucharest Municipal Committee of the RCP headed by Nicolae Croituro, RCP Central Committee candidate member and secretary of the municipal committee. Schabowski reported on the tasks and experiences of the Berlin party organization and stressed the political responsibility of the Berlin citizens. They agreed to further deepen the cooperation between Berlin and Bucharest as well as the exchange of experiences between the party organizations. [Summary] [East Berlin NEUES DEUTSCHLAND in German 5 Dec 86 p 8 AU]

PRK HEALTH COOPERATION PLAN -- East Berlin (ADN) -- On 9 December Health Ministers Ludwig Mecklinger and Yit Kimseng signed a plan for cooperation in the health sector between the GDR and the PPRK for the 1987-89 period. The plan envisages an intensification in the coming years of the exchange of experiences in the areas of management, planning, and organization in the health sector, in pharmaceuticals, and in hygienics and the implementation of measures for the qualification of leading cadres in the PRK health sector. In addition, a protocol on sending GDR doctors to the PRK for medical aid was agreed upon. The GDR will continue to support the development of the PRK health sector by providing advanced training to Cambodian doctors and pharmacists. [Text] [East Berlin NEUES DEUTSCHLAND in German 10 Dec 86 p 2 AU]

OFFICIAL COMMENTS ON ENERGY SUPPLY PLANS

AU181524 Budapest MAGYAR HIRLAP in Hungarian 13 Dec 86 p 5

[Interview given by Gyozo Wiegand, director of the State Office for Energy Supervision, to Maria Lakatos: "We Will Have a Sufficient Supply for Heating -- Steady Power Supply Expected -- Concerning the Time of Completing the Barrage System"; date and place not given]

[Excerpts] [Passage omitted] [Lakatos] Could the 1984-85 energy restrictions be repeated this winter?

[Wiegand] [Passage omitted] If the average daily temperature does not go below minus 12 degrees celsius, I do not think we will have problems. The gas supply is steady, and our underground natural gas reserves are twice what we had in 1984, plus the fact that the coal mining sector has already delivered 260,000 metric tons more coal to TUZEP [Fuel and Building Material Trade Enterprise] than was agreed upon. [passage omitted]

[Lakatos] Nowadays we do not talk much about the lack of oil, but the electric power supply appears to be much more uncertain than in any of the previous years. This phenomenon is extremely unfavorable for us, because Hungary is the only country in the world that imports 29 percent of its total electric power supply. Thus, the economy reacts very sensitively to any disturbances in the CEMA joint power system...

Small Disturbances [subhead]

[Wiegand] I do not think there is any need for such concern. Let us look at the figures. Due to the Chernobyl catastrophe, we received a total of 6.5 percent less electric power. On the other hand, this has been balanced by additional gas supply, which made up for the shortcoming. Thus, calculating it in thermal values, we have no disadvantages. Here I am thinking first of the third block of the Paks Nuclear Power Station, which is now working at full capacity, and of the fact that, so far, the operational conditions of the first two blocks of the nuclear power station are among the first, even by an international standard. In any case, as I have already said, we have far greater reserves than hitherto and small disturbances will cause no problems.

[Lakatos] In his interview to RUDE PRAVO, Josef Haman, alternate member of the CPCZ Central Committee Presidium, said that there have already been disturbances this autumn. How did they affect Hungary?

[Wiegand] In September we knew in advance that there would be less electric power due to mains disturbances and maintenance work; thus, we were prepared. Accordingly, we stopped production in about 200 factories in line with a prearranged plan, but for not more than 2 hours. Thus, this cannot be compared to the stoppages due to the serious gas restrictions of 1984-85. By the way, we have modernized the restriction system. We have included new consumers from the industrial, agricultural, and building-materials sectors, and we made preparations in the event that we have to make up for a possible loss of power as fast as possible.

[Lakatos] If the CSSR provisionally leaves the system, would this affect Hungary's power supply?

[Wiegand] We are directly connected to the Soviet Union, but of course a system is less reliable if a member leaves it, even for a short period. In any case, the CSSR basically covers its electric power demands from its own production, and thus the proportion of its imports is much smaller than ours.

[Lakatos] Are we focusing more on other energy sources for our long-term power supply? Is it possible that we will return again?

Restraint In the Long Term [subhead]

[Wiegand] I do not believe this. It is extremely expensive to build power stations, and building a new nuclear power station that would replace our present electric power imports would cost almost 200 billion forints. In the Seventh 5-Year Plan we stipulated that all energy sources must be saved equally. We are not in favor of the idea of replacing one energy source with another, because for the national economy the various energy sources have become almost equal in value. This, of course, does not refer to biomass, geothermal energy, etc. We consider changing over to these resources to be a savings measure. According to our calculations, consumption will shift or change in favor of natural gas only to a certain extent. If there is any particular energy source where we must emphasize the saving measures, then I would say it is electric power. At the moment considerable reserves are at our disposal, but initially the supply situation will become tense at the beginning of the nineties, until the Bos-Nagymaros barrage system and the two new blocks in Paks are ready. We are already conducting studies on how we can pull through that period. In any case, it is necessary to reduce the growth rate of electric power consumption, even in the long term. This energy should not, if possible, be used for heating and heat output.

DRAFT BUDGET CRITICIZES 1986 DEVELOPMENT

LD191239 Budapest MTI in English 1024 GMT 19 Dec 86

[Text] Budapest, December 19 (MTI) -- The report on the proposed budget presented to parliament states that the development of the Hungarian national economy was unsatisfactory in 1986. The total national economic income increased, on current prices, by 5 per cent compared to the planned 7.5 per cent. The terms of hard-currency trade deteriorated to a greater extent than expected, and consumer prices rose at a higher rate than planned. Personal consumption grew by about 2.5 per cent, instead of 1 per cent as foreseen. The investment expenditures were in excess of the target, and the real incomes, consumption and wage payments showed a greater increase than planned.

The 1986 gains of companies and banks will probably amount to more than 240,000 million forints. Industrial profits rose by a higher than average 8.2 per cent, while the agricultural gains fell short of last year's level.

State revenues lagged behind plan, while expenditures were 3 per cent higher than scheduled. The deterioration of the budget situation was mainly due to a drop in company payments.

The 1987 national economic plan calls for an at least 2 per cent growth in the national income, calculated on comparative prices, in order to stabilize living standards and slightly improve living conditions. Gross national economic income (net national product) is planned to go up by 8-8.5 per cent on current prices. The main items of the state budget: Revenues -- 606,900 million forints, expenditures -- 650,700 million forints, deficit -- 43,800 million forints.

Dealing with the changing economic regulators, the report states that wage tax allowances are to decrease in a number of areas, income tax allowances will be granted in fewer places, while companies, factories and institutions in certain economic branches are to receive higher profit tax benefits than before. The total national economic gains are estimated to add up to 270,000 million forints.

Expenditures stemming from international financial relations will be on the rise. The repayment of World Bank loans taken up formerly will be started, and the budget spending related to the paying back of loans and interests payable after state debts will be increasing. The rise in the former case will be due to the beginning of the repayment of state bonds, and in the latter to the use of more credits needed to counter the bigger budget deficit and to the taking up of other loans.

The envisaged investment expenditure is 215,000-219,000 million forints (current price), 5 per cent more than in 1986. No new capital project is to be launched next year. construction of the Mecsek ore mine, the Ferihegy Airport and the Budapest underground will be continued, a special fund raised to finance the Gabcikovo-Nagymaros barrage system. Greater support will be given to the telecommunications network, water projects, the electric energy system, hydrocarbon research and development, transport, health, scientific research, house-building, education and culture.

Social insurance is estimated to absorb 152,000 million forints, and the average retirement pay will be 7.2 per cent higher than in 1986. The expenditure on child-care benefit will go up by 1,000 million forints, with the monthly sum per person rising from 2,850 forints to over 3,000 and the number of recipients increasing by 22,000. A total of 47,500 million forints are assigned for the health sector where several major investment and reconstruction projects are to be carried out. Cardiologic attendance will be extended, the number of oncologic screenings raised, conditions created for the treatment of people taking narcotics and 36 million forints reserved for the continuation of the AIDS programme.

A sum of 70,500 million forints will be spent on education, culture and sports, mainly the development of secondary education. Scientific research and technical development will be granted 8,400 million forints. The expenditures of local councils are estimated to total 166,000 million forints in value.

The budget report calls for a more effective utilization of resources in the interest of stepping up economic development and improving the economic equilibrium.

POLITBURO'S SZABO ADDRESSES PPF MEETING

AU171002 Budapest MAGYAR NEMZET in Hungarian 9 Dec 86 p 1

[Unattributed report on speech by MSZMP Politburo Member Istvan Szabo, chairman of the National Council of Producer Cooperatives, at PPF National Council session in Parliament in Budapest on 8 December]

[Text] MSZMP Politburo Member Istvan Szabo also took part in the PPF National Council meeting and took the floor. After conveying the Central Committee greetings to the participants, Szabo analyzed, in his address, the current problems of our economic policy and stressed the need for a realistic evaluation of the situation.

"Analyzing the economic situation of our country, we must be realistically aware of the fact that we have achieved considerable results in the period from 1979 to 1984. [paragraph continues]

Therefore, our efforts have not been in vain and the fact that we had a balance surplus these years and that we were also be able to redeem our stock of credits also prove this. Last year and the current year, however, have brought us losses and, no doubt, one of the reasons for this loss is the unfavorable foreign market conditions. As an example, it is enough to mention the fact that the price of one of our main export articles, corn, fell by half in the foreign markets in this period. I could continue to cite examples but this is no doubt convincing enough. The Central Committee decision clearly revealed these difficulties...There is nothing wrong if there is a debate on this decision but there is a fundamental condition for this, namely the need for this debate to contribute to a solution and to renewal. At the Central Committee meeting we thought that, in spite of the economic difficulties of the past 2 years, there was no need to reformulate the decisions of the 13th MSZMP Congress and the goals of the current plan period. We thought that this should be the standard for society, and this was approved by both the Politburo and the Central Committee. Only 20 months have passed since the Congress and not even 1 year of the Seventh 5-Year-Plan period has passed, and therefore, there is no justification for revising the goals formulated in these documents. All these, however, do not mean that we do not analyze constantly the economic situation of the country and, as mentioned also in the decision, there is a more detailed, and more thorough, situation analysis underway than hitherto and the Central Committee will again discuss the conclusions of this analysis at the beginning of next year. All this is because we want to realistically face our current economic problems. This desire is also reflected in the Central Committee decision, which does not irresponsibly promise an improvement in the standard of living; this shows that the Central Committee is also aware of the importance of improving the system of interests, the urgent need to improve the efficiency of work, and the task of better appreciating the intelligentsia. We do not want, therefore, to minimize our problems and we need a realistic evaluation of our situation precisely in order to work out a long-term strategy.'

MINISTER IMRE MIKLOS CITED ON CHURCH-STATE TIES

PM180920 Milan L'UNITA in Italian 9 Dec 86 p 4

[Interview with Minister-Chairman of Hungarian State Office of Religious Affairs Imre Miklos by Alceste Santini in Budapest; date not given]

[Text] Rome -- In a historical assessment of the difficult and dramatic years of conflict between the state and the Catholic Church, and of the swing toward cooperation following the tragedy of 1956, Monsignor Joszef Cserhati, secretary of the Hungarian Catholic Bench of Bishops, told us: "We proceeded from an erroneous and blameworthy unrealistic attitude. According to those communist leaders, the church's years were numbered because once people's material needs were satisfied they would no longer need prayer or ethical and spiritual values. As far as we were concerned, the belief was that a socialist state would be incapable of establishing itself; it was inconceivable that socialism could have an international future. Well neither of the two expectations materialized. Here you have Hungarian society, composed of believers and nonbelievers, who have gradually begun over the past 30 years to seek more and more common ground for cooperation to help their country progress."

This is how I began the conversation when I met in Belgrade a while ago with Minister-Chairman of the Hungarian State Office of Religious Affairs Imre Miklos, proceeding precisely from these remarks by the Bishop of Pecs, Monsignor Cserhati, and I noticed that Miklos was nodding and openly declaring his agreement.

"You see, the dogmatic, splittist mentality of the political leadership of the time, which was later responsible for what happened in October 1956, did not believe that the church -- and by this I mean both its leaders and the faithful -- could cooperate, beyond matters of ideological principles, in building a socialist society. True, under Cardinal Joszef Mindszenty's leadership, after 1945 the church did oppose the agrarian reform and education reform, which had in fact for centuries been the two major aspirations of the peasants and the less prosperous strata of Hungarian society. But it is also true that accords were drawn up between 1948 and 1950 between the government and the various churches, despite many difficulties. It was necessary not only to continue patiently and flexibly along that path of negotiation but also to work to make effective the policy of alliances that has yielded many results over the past 30 years."

[Santini] Did the events of 1956, expressed on 23 October as a great democratic movement of regeneration, also defeat the stubborn and extreme stances of Cardinal Mindszenty and of those who at the time brandished them as a banner, as well as the splittist, stubborn, and criminal policy of the group composed of Rakosi-gero, Hegedus, and their notorious allies?

[Miklos] Certainly. You see, you were right to speak in terms of a great democratic movement of regeneration. Well, how can one reconcile this with the innovative elements reflected in Cardinal Mindszenty's 3 November radio speech? He demanded not only the church's old privileges but also the restoration of the old social system. Similar stances were also adopted by former Protestant bishop Laszlo Ravasz and former Evangelical bishop Lajos Ordass, both later suspended by their respective churches. But those stances had a negative impact -- to say the least -- on those tragic 10 days in October 1956, partly because behind those religious leaders there were men who used weapons with objectives certainly different from those who wanted reforms in the direction of a democratic and human form of socialism. If we do not examine these matters too we cannot understand 1956 as a whole, nor can we understand why those events prompted everyone to start afresh.

[Santini] To return to Monsignor Cserhati's observations and analysis, could you sum up the main points of the new political options that made it possible to start afresh and to write the new chapter in church-state relations over the past 30 years?

[Miklos] The mainstays of this policy of dialogue and alliance were defined by the MSZMP Central Committee in June 1958 on the basis of a real analysis, and they are still valid. First, it was acknowledged that churches will exist for a long time even in a socialist society. This means that neither the state nor the churches can benefit from a confrontation, if it is true that both sides serve the same people and country, albeit in different roles. This cooperation, inspired by clear principles and the common good, benefits both a socialist society and socialism internationally, though those who want to use religion against the state's interests must still be combated.

[Santini] But should this policy not also offer the church vital scope for performing its specific activity?

[Miklos] Certainly. I can say that the experience of the past 3 decades shows that the churches not only perform their special activities freely but that they have representatives in parliament, local government, municipal councils, and the various bodies of the Patriotic People's Front. The churches are committed to peace but also to helping enrich ethical values within the family and in the work place. Even the symposium between Catholics and Marxists in Budapest on 8-10 October on "Soviet and Ethical Values" highlighted the vast opportunities for cooperation and also our willingness to broaden the path of dialogue.

[Santini] June saw the death of Cardinal Laszlo Lekai, hailed by the Hungarian press as a "protagonist" of this policy of dialogue and as a "great patriot." Will anything change after him?

[Miklos] The past 3 decades have taught us that our policy of alliance is not a passing phenomenon but a lasting element of our socialist system, because the present and future for which we are working belong to us all. Of course, as you know, it is up to the pope to appoint Cardinal Lekai's successor. As far as we are concerned, I can say that the accord that the Hungarian Government signed with the Vatican in 1964 and that marked the resumption of our relations, has produced positive results. The Hungarian Catholic episcopate has become complete again and church-state relations have become characterized by a new style, partly because both sides have given priority to a wide-reaching and long-term policy. I believe that we should continue along this path in the future, extending it and enriching it. [passage omitted]

REPORTAGE ON CHAIRMAN LAZAR'S MOSCOW VISIT

For Soviet and Hungarian accounts of the Moscow visit of Political Committee member and Chairman of the Council of Ministers Gyorgy Lazar, see the Eastern Europe section of the 23 December Soviet Union DAILY REPORT and subsequent issues.

MTI VIEWS 'POWERFUL' BOOST IN USSR TIES

LD171956 Budapest MTI in English 1553 GMT 17 Dec 86

[Text] Budapest, December 17 (MTI) -- This year there has been a powerful enlivenment in high-level Hungarian-Soviet relations. In February, a Hungarian delegation led by Janos Kadar attended the 27th Congress of the Communist Party of the Soviet Union, in June, Mikhail Gorbachev visited Hungary, and at the last session of the CMEA, Gyorgy Lazar met with Nikolay Ryzhkov.

The development of economic relations figured prominently at the talks. When visiting Csepel, Mikhail Gorbachev asked the leaders of the Csepel workers' collective how cooperation there, in the unit, and with the Soviet partners and in the socialist community in general, could be made more successful and efficient. The Hungarian-Soviet discussions held since made efforts to this aim, and the forthcoming visit to the Soviet Union of Gyorgy Lazar is also part of the process.

Cooperation carried out with the Soviet Union is of major importance for the Hungarian economy struggling to switch over to a new development course, and with the problems caused by the external economic environment. The Soviet Union is also interested in exploring the new, reciprocally advantageous possibilities of joint work. Its acceleration programme demands more modern products, more advanced technology, better efficiency and for science to become a productive force. Our fundamental efforts are thus also identical in this field and demand, and also facilitates the further development of many-sided bilateral cooperation and cooperation realized within the CMEA.

The value of goods turnover envisaged for 1986-1990 is 51,000 million roubles, which is 3 percent more than in the previous five-year plan cycle. The value of export-import for 1986 is expected to stand at 10,000 million roubles. Both sides aim at exploring further delivery possibilities, and the exchange of goods worth 700 million roubles is assured so far over the plan. It is a joint effort that this sum increase to 1,500 million roubles by 1990. It is expected that such an aim will be on the agenda of the current exchange of views between the prime ministers in Moscow.

It is decisive for Hungary that the Soviet Union has undertaken further obligation to deliver raw materials and energy carriers necessary for production, on the 1985 level. The Hungarian side is to mainly extend the export of food, plant protecting agents, and light industry products. As compared to 1985, Hungarian agricultural export to the Soviet Union is to increase by 61 per cent (at comparative prices) in 1990. The Hungarian economy is the sixth most important partner of the Soviet Union, and Hungarian companies are the largest deliverers of buses, plant protecting agents and certain pharmaceutical preparations to the Soviet Union.

Outstanding examples of the joint work realized at the major projects of the two countries is Hungarian participation in the building of the Yamburg gas pipeline. The 1,500 Hungarian workforce at Tengiz is to increase to 5,000 and more Soviet assistance is to be provided for the extension of the Paks Nuclear Power Plant in Hungary.

The long-term programme of Hungarian-Soviet economic and technical-scientific cooperation until the year 2000 provides an appropriate framework for the mutual efforts. Experts are to re-examine, streamline and extend the some 30 production specialization and cooperation agreements in force at present, and seek opportunities to further deepen integration, and extend it to other areas. The target at present is to establish complex cooperation activity between Hungarian and Soviet partners which includes joint research and development, and joint production and reciprocal delivery.

The necessity of founding joint ventures was voiced at the time of Mikhail Gorbachev's visit to Budapest and since then experts concerned have come close to concrete agreements in several fields. The organizational and legal frameworks were created in the bilateral inter-governmental agreement signed by Gyorgy Lazar and Nikolai Ryzhkov at the November session of the CEMA. Several problems will have to be solved in the course of common work as, to a certain extent, the economic units operate under differing management and, as experts point out, Hungarian companies should also be made more interested in such cooperation. The visit to Moscow of the Hungarian prime minister is expected to provide further impetus to this process.

MARJAI DEPARTS FOR ECONOMIC TALKS IN MOSCOW

LD192247 Budapest MTI in English 1712 GMT 19 Dec 86

[Text] Budapest, December 19 (MTI) -- Jopzsef Marjai, deputy chairman of the Hungarian Council of Ministers, left for Moscow on Friday to hold talks on issues of bilateral economic cooperation.

PRESIDIUM DISCUSSES SCHEDULE, OTHER TASKS

LD222358 Warsaw PAP in English 2048 GMT 22 Dec 86

[Text] Warsaw, Dec. 22 -- The Government Presidium today discussed the schedule, adopted by the 3rd PUWP Plenum of the implementation of the 10th congress resolution.

It also reviewed the course of work on the realization of the decisions of the resolution of the 3rd plenum and the time-table of the Council of Ministers for the first half of next year. The key task of the government is to create economic, legal and organizational conditions corresponding to the current stage of the implementation of economic reform and to guarantee the realization of the national socio-economic plan for 1986-1990.

In its works, the Council of Ministers took into account the need for structural changes in the national economy and for its pro-export orientation and accelerated scientific, technical and organizational progress. It is envisaged that the provisions of the draft long-term plan till the year 2000 will also be discussed.

The Government Presidium acquainted itself with a report on the state of natural environment protection and the current works carried out by the government in this field. As research shows, the deteriorating quality of river waters has been checked in the last three years. Even so, the state of lake water cleanness has deteriorated.

391 newly built sewage treatment plants have been put to operation in the years 1983-85. The nearly 72-thousand-ton drop in the emission of dust is also a positive phenomenon. On the other hand, the amount of gas which polluted the atmosphere went up.

The Government Presidium outlined the direction of further undertakings to counter the degradation of the natural environment.

In another point of the debates the Presidium adopted a time-table of work aimed at a further improvement in the quality of production. The principles of financing are to be modified in the direction of promoting high quality production. Granting credit and income tax reductions will increasingly depend on the quality of products. The role and tasks of quality control services will be increased.

The Government Presidium stressed that improving quality calls for increasing social and production discipline at each work post.

Taking into account the stance of the constitutional tribunal, the government Presidium decided to lift the obligation to register meat and meat byproduct coupons next year. The Government Presidium adopted a draft decree of the Council of Ministers concerning surtaxes, with the amount exempt from tax for 1987 being 576 thousand zlotys.

PZPR CC PLENUM MEETS 18 DECEMBER

LD190511 Warsaw PAP in English 1408 GMT 18 Dec 86

["Discussion at PUWP CC Plenary Meeting" -- PAP headline]

[Text] Warsaw, Dec. 18 -- Slawomir Krupa, PUWP CC member, chief electrician of "Kedzierzyn" nitrogen plant, focussed his attention on the problems of foreign trade.

He said: The export's economic effect, its rationally, cannot come as the sum of decisions and initiatives of independent economic units, even ones stimulated by appropriated economic instruments. The export's economic effect must be calculated in the macro-scale. The point is not only in the number of exports or the volume of turnover but in the way that the result of the foreign trade's activity affects the national income.

Roman Ney, PUWP CC member, head of the Mining Academy Institute in Krakow and secretary of Pan's 7th Department, dealt with problems of energy. He said: The enemy-consumption indices for Poland's national income are 1.25-3 times higher than those of the incomes of the comparable European countries. There is on the one hand, a lower level of supplies of various forms of energy, and on the other, an uneconomical use of energy.

Ney said that in order to overcome this phenomenon it was necessary to prevent coal production from slumping below the level of 190-192 million tons, and to invest in the energy-saving ventures to obtain owing to them 22 million tons as soon as possible after the year 1990. The government should adopt a programme of internal rationalization of economy in the fuel-energy complex. It is necessary to draft and put into effect a programme of utilization of unconventional sources of energy.

Jan Bednarek, general manager of the "Chemitex-Wistom" synthetic fibres plant in Tomaszow Mazowiecki, summed up both the positive and negative experience in the introduction of the economic reform. while presenting his assessment, he focused on problems connected with the introduction of technological progress. Said he:

Science and industry must maintain tight cooperation. It is also necessary to establish partnerships or enterprises with a flexible structure that would develop innovations.

Eugeniusz Pustowka, PUWP CC member, general manager of the Lenin Steel Mill in Krakow, said that fears have accumulated concerning the rightness of some instruments of the economic reform, and the direction of changes against the background of difficulties and faults existing in the economy despite numerous positive phenomena.

Alfred Miodowicz, Political Bureau member, OPZZ chairman, said that a chance of development lies both in the organization of work and thriftiness, but not in prodding people to work on free Saturdays, in overtime and in economic teams. Trade unions welcome the offensive which has been announced in the Political Bureau report and which is designed to stimulate initiative and enterprise.

WARSAW PACT COMMANDER ARRIVES IN GDANSK

LD2131041 Szczecin Domestic Service in Polish 0600 GMT 22 Dec 86

[Text] In connection with the celebrations of 90th anniversary of the birth of Marshal Konstanty Rokosowski, an honorary citizen of Gdansk, Gdynia, and Kartuzy, Marshal of the Soviet Union Viktor Kulikov, commander in chief of the United Armed Forces of the Warsaw Treaty states, has arrived in Gdansk on a friendly visit. Today Marshal Kulikov will participate in a solemn session of the Municipal People's Council in Gdansk and in the opening of an exhibition devoted to Marshal Rokosowski. He will also visit the Lenin shipyard.

JARUZELSKI, GLEMP DISCUSS POPE'S 1987 VISIT

LD221822 Warsaw Domestic Service in Polish 1800 GMT 22 Dec 86

[Text] General Wojciech Jaruzelski has met with Jozef Cardinal Glemp. The chairman of the Council of State and the Polish primate discussed preparations for a third visit by Pope John Paul II to Poland in June 1987. It was stressed that the appropriate conditions should already be being created for the pope's visit, above all, a favorable climate in the overall structure of state-church relations so that the visit might bring benefit to the faithful and to Poland. The Council of State chairman and the Polish primate agreed that state and church authorities will direct an invitation to the pope.

GENERAL KISZCZAK ADDRESSES CONFERENCE ON LAW

LD230406 Warsaw Domestic Service in Polish 2220 GMT 22 Dec 86

[Excerpts] [Announcer] We will now broadcast a report on the conference chaired by General Czeslaw Kiszczak, chairman of the Council of Ministers Committee for the Observance of Law, Public Order and Social Discipline.

[Correspondent Marek Kossa] The conference was attended by heads of voivodship teams dealing with infringement of the law in the private sector and militia and organs of control such as the State Trade Inspectorate and the Supreme Control Chamber as well as workers of the Warsaw enterprises. Participants of the conference discussed the results of the control operation carried out under the code name Sektor. Opening the conference, General Czeslaw Kiszczak said, among other things:

[Begin Kiszczak recording] The aims assumed by the congress and the third plenum can be achieved if several conditions are met. One of them is removing from our social and economic life pathological phenomena such as lack of thriftiness, wastefulness, taking advantage of the social and economic difficulties, dishonesty toward society and the state, criminality and such negative phenomena. This list also includes abuses and other infringements of the law which occur in the functioning of the private economy sector. All these reformations slow down and distort the positive processes of development. That is why they must be combated with full consistency and full resoluteness. As regards our activity within the framework of the Sektor operation, its idea must be to create a green light for honest craftsmen and private traders and the conduct of business which is in accordance with the law by the Polonian [run by expatriate Poles] firms as well as the resolute and severe counteracting of the abuses and illegalities that occur in this sector. [end recording]

[Kassa] Next, General Czeslaw Cwiek presented the control actions carried out so far in the private sector and spoke about the plans for the future. [passage omitted] The discussion at the conference was summed up by General Czeslaw Kiszczak, who said, among other things:

[Begin Kiszczak recording] Esteemed comrades, our party and the socialist state have for many years now been voicing and consistently implementing the principle of active co-participation by the crafts sector and other forms of private economy in the development of the socialist economy.

Relevant legal and organizational conditions have been created for this sector which make it possible to correctly implement this principle. Thanks to this, and on this basis, in recent years in particular, there occured a very significant development of crafts, private trade and Polonian firms. In proportion to this the participation of this sector in our economic ventures has increased considerably. But this whole development process ought to go on in line with these political and state decisions and regulations that aim at assisting and strengthening the socialized economy through the activity of the private sector. This sector, after all, is to play a complementary role in relation to the state sector.

Apart from this, it is to be more flexible than the former as regards production and services for the population, and in particular as regards satisfying many daily living needs of the population. It is to be at the same time, accessible as regards prices. Such principles of activity should be dominant ones and should be consistently observed on a daily basis. Unfortunately, things are quite frequently different in practice. As was said here, sometimes the crafts, the private trade and the Polonian firms, instead of complementing the socialized sector, simply feed off it and deform it to a certain extent. This applies to interception of raw materials and semi-finished goods, sometimes the ones that are in short supply, and using them in their own private production and trade. Tax crimes are speading and abuses in the sphere of limits on employment are continuing, bribery of representatives of local administration occurs and bribery of representatives of the socialist economy sector also takes place. When we discuss the functioning of the private sector, which constitutes an integral part of the state economy, we must remember that these issues must be evaluated in the broad context of the whole national economy and all the fundamental economic and social phenomena taking place in Poland.

The situation manifesting itself in the state and cooperative economy should be kept in mind because some negative phenomena are also being shaped there. In part, workers and functionaries of various state bodies and institutions are to blame. If the territorial administration upon which Premier Professor Messner places so much emphasis functioned properly, the so-called flexible permits for Polonian firms, craftsmen and private traders, allowing them to conduct multi-directional and in this way, uncontrolled or only partially controlled economic activity, would not be issued.

If order reigned and individual workers behaved honestly in socialized workplaces, it would be difficult for the private sector to obtain by trickery valuable raw materials, semi-finished goods or finished goods in order to cheat society through glaring enrichment. Finally, if all our bodies of financial control functioned properly, if there were not among them people who allow themselves to be bribed, as took place in Wroclaw, it is certain that many cases of financial abuse would be discovered sooner, and criminal dealings would be quickly stopped and the state treasury and society would not incur such losses as are taking place at present.

Generally, it may be stated that if there were more honesty on both sides and [words indistinct] the state bodies on this more reliability and consistency, there would be no need to introduce Sektor into our operations and there would be no need to execute on our side so much additional efforts and time which could be used in other spheres quite successfully. However, as long as it is as it is, we cannot it withdraw from our activities. The Sektor operation must be continued. We must continue to build dams against the expanding infringement of the regulations in the area of the private economy.

ARTICLES DISCUSS RECENT CSCE MEETING

LD221303 Warsaw PAP in English 1139 GMT 22 Dec 86

[Text] Warsaw, Dec. 22 --Summing up on the just-finished first round of the CSCE meeting in Vienna, TRYBUNA LUDU daily wrote today that two trends, two approaches to Europe clash in Vienna.

"The socialist countries demonstrate their adherence to and support for the CSCE process and in a determined way seek to carry on, strengthen and broaden it, favouring a more dynamic character of the CSCE process on all its platforms, in a vision that embraces all the real problems of Europe.

"The U.S., however, agrees to only such moves which lie in its selfish interest and fit in with its global, superpower strategic assumptions.

"It seems that the U.S. is not interested in working out any new documents dealing with European detente and cooperation, and hence in any further development of the CSCE processes.

"As to the neutral and non-aligned states, although they have so far shown no major initiative, they are firmly in favour of the CSCE process and their stand tends to be closer to the socialist countries' position than that of the NATO states.

"Our critical attention must be given to the position taken by the FRG. Bonn has raised the questions of an alleged "German minority" in Poland, in an attempt to extend the validity of the German law onto Polish citizens, and of the peaceful change of state boundaries," TRYBUNA wrote.

"This makes a set of postulates that undermine the order created by the Yalta and Potsdam agreements, upset the atmosphere of the CSCE meeting, and lay burden on the Polish-FRG relations.

"On the positive side, let us take note of the FRG active interest in trade with the east and other forms of general European cooperation," TRYBUNA noted.

Writing on the same subject, government newspaper RZECZPOSPOLITA said that "undoubtedly, the state least interested in a vivid and generally beneficial development of the CSCE process is the U.S.

"The U.S. is moreover trying to use its influence among NATO members to divert West European nations from any more intensive dialogue and cooperation with the east of Europe.

"At times this has given the Vienna meeting a character of confrontation towards the socialist states, though it would be an oversimplification to launch a uniformly negative assessment of the policies of West European states, as depending on the topic of discussion they tend to take different stands and often express interest in dialogue and cooperation with the socialist states, chiefly in such areas as environmental protection, or economic, scientific and technical cooperation," RZECZVOSPOLITA wrote.

"The CSCE process has played a special role in recent years. It should be viewed as the main factor of stabilizing the international situation," the daily wrote, expressing the hope that "in further course of the Vienna-86 meeting, the participating states -- aware of the hitherto role of the CSCE -- will find the way towards detente."

PAP INTERVIEWS GWIAZDA ON THIRD WORLD TRADE

LD222343 Warsaw PAP in English 1839 GMT 22 Dec 86

[Text] Warsaw, Dec. 22 -- "Poland plans to develop trade and economic cooperation with any states it is only possible and beneficial to do so," said Vice-Premier Wladyslaw Gwiazda in an interview for PAP on trade with developing countries. [as received]

"It would be an impermissible mistake to ignore the possibility of economic cooperation with developing countries," he added.

"We are keen on the imported production supplies for Poland's industry and also seek possibilities to sell Polish capital goods in those countries, but we also purchase machines there. The latest examples are imports of textile and photocopying machines from India and ships from Argentina. We deem it possible to cooperate on the principle of industrial cooperation, to exchange know-how or to jointly operate in markets of third countries with a view to developing exports," said Gwiazda.

"The Foreign Trade Ministry said in 1980 Polish exports to developing countries amounted to 1,650 million dollars. In 1985, they exceeded only 1.2 billion dollars, while imports were higher," the vice-premier said.

"Financial and payment difficulties mostly affect the present situation. Poland's crediting capacities are still scarce also because we ourselves have not been able to gain credits for several years now. However, the Polish Government made decisions to increase the room of manoeuvre for Polish exporters," Vice-Premier Gwiazda went on.

"Impediments on our side consist in the fact that Polish commodity offer is not always competitive. Polish trade and service network in developing countries is not sufficiently developed. In this connection, we adopted economic and financial solutions that should decrease these obstacles.

"Along with Poland's participation in the World Bank, it is possible for Polish experts to take part in investment programmes in developing countries financed by this bank. Cooperation with the UNIDO is a trump card in the promotion of Poland's export, not fully used so far.

"Certainly, the time of simple solutions in trade with developing countries passed. We will be able to still gain benefits from this cooperation, provided it covers forms living up to expectations of our partners.

"The share of developing countries in Poland's total exports has amounted to some 10 percent for quite a long time.

"We would like turnover with developing countries to rise at least at such a rate as turnover of the entire foreign trade.

"In 1985, the share of the first ten developing countries trading with Poland, in Poland's total exports to this group of countries, approximated 75 percent. They were: Brazil, Iraq, Libya, Turkey, Iran, India, Argentina, Algeria, Morocco and Egypt. Certainly, Polish offer will not reach all 100 developing states, but the list of economic partners may exceed 30 countries of the group with which we are now trading," Gwiazda said.

COMMUNIQUE ISSUED ON ZHIVKOV-CEAUSESCU TALKS

AU191120 Bucharest AGERPRES in English 0913 GMT 19 Dec 86

["Communique" on official talks held between Nicolae Ceausescu and Todor Zhivkov in Giurgiu and Ruse 18 December]

[Text] Bucharest, AGERPRES 19/12/1986 -- On the basis of a joint understanding, Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Comrade Elena Ceausescu had a friendly working meeting with Comrade Todor Zhivkov, General Secretary of the Bulgarian Communist Party, president of the State Council of the People's Republic of Bulgaria, on December 18, 1986.

In the town of Giurgiu, Comrade Nicolae Ceausescu presented Comrade Todor Zhivkov with the "Victory of Socialism" order he was conferred on his 75th birthday for his outstanding contribution to the development of cooperation between the Romanian Communist Party and the Bulgarian Communist Party, to the strengthening of friendship between the Romanian and Bulgarian peoples, to the general cause of socialism, international peace and cooperation.

The two party and state leaders held talks on a number of questions of common interest in the town of Ruse. Comrade Nicolae Ceausescu and Comrade Todor Zhivkov informed each other about the fulfilment of the resolutions of the Thirteenth Congress of the Romanian Communist Party and of the Thirteenth Congress of the Bulgarian Communist Party, about the current tasks for the more rapid social and economic development of the two fraternal countries.

The two party and state leaders highlighted with satisfaction the growing course of the bilateral cooperation in all areas. The principles of Marxism-Leninism, equal rights, national independence and sovereignty, as well as the 1970 treaty of friendship, cooperation and mutual assistance were re-affirmed as the solid basis of the Romanian-Bulgarian relations.

Stress was laid on the great significance of the traditional meetings between Comrade Nicolae Ceausescu and Comrade Todor Zhivkov for the continuing expansion and deepening of the ties between the Romanian Communist Party and the Bulgarian Communist Party, between the Romanian and Bulgarian peoples. The top-level understandings were shown to be fulfilled successfully.

Romanian-Bulgarian political, economic and cultural ties have developed actively. Contacts and exchanges of experience on a party line, between the parliaments, governments, mass and public organizations have expanded and so has international cooperation between the two countries. It was agreed that these ties should continue to grow in future.

The implementation was considered of the long-term programme for the development of economic, technical and scientific cooperation between the Socialist Republic of Romania and the People's Republic of Bulgaria until 1990 and -- in some areas -- up to the year 2000.

Outstanding questions related to the growth and improvement of bilateral cooperation were analysed, as well as of the intensification of cooperation for the fulfilment of the understandings adopted by the CEMA economic summit, the attainment of the goals of the Comprehensive Programme of Technical and Scientific Progress of these countries up to the year 2000, in the spirit of the talks held during the recent Moscow working meeting of the leaders of communist and worker parties in CMEA socialist countries.

The work of the Joint Romanian-Bulgarian Intergovernmental Commission for Economic and Technical Scientific Cooperation was assessed as positive.

During their talks, the two leaders concentrated on a growing volume of goods exchanges between the two countries, on the further deepening and broadening of production specialization and cooperation in production, especially in machine-building, electrical engineering, electronics, metallurgy, chemistry, and on the joint utilization of the waterpower potential of the River Danube.

Furthermore, stress was laid on the need to deepen long-term cooperation, to seek new ways to expand it, and for that purpose to use more advanced forms of cooperation, including direct ties between enterprises in the two countries, on the basis of cooperation in production and production specialization.

Particular emphasis was placed on the higher efficiency of technical and scientific cooperation and its growing role in the joint implementation of major economic targets as a significant reserve for the further dynamic expansion of the economic relations between the Socialist Republic of Romania and the People's Republic of Bulgaria.

The two party and state leaders were highly appreciative of the positive results of the growing bilateral relationship and stated their full confidence that it would broaden and deepen in all areas, to serve the interests of the two people, the cause of socialism and peace worldwide.

Comrade Nicolae Ceausescu and Comrade Todor Zhivkov exchanged views on the most important present international issues.

The two party and state leaders assessed the defence of peace, the cessation of the arms race and a passage to concentrate disarmament measures, nuclear disarmament measures first of all, and the elimination of the nuclear threat as paramount in our age.

Voicing concern over the current international developments the two leaders reiterated their support to the USSR's principled, constructive and flexible position at Reykjavik meeting. An expression of a new political thinking, it reflects the need for bold and resolute actions to strengthen peace and security in the century of nuclear missiles. Concern was also expressed over the nonconstructive actions of certain imperialist circles that try to distort the results of the meeting and bar disarmament negotiations.

Both countries spoke for the unconditioned observance of the arms limitation and disarmament treaties and understandings and noted that through its actions the USA disregards its obligations. This runs counter to the interests of peace and to the peoples' expectations and will bear negatively on the prospects for concluding accords regarding the cessation of the arms race and the passage to disarmament.

Comrade Nicolae Ceausescu and Comrade Todor Zhivkov reasserted their support to the Soviet Union's programme for the general and complete liquidation of nuclear amrs and of the other types of arms of mass destruction by the end of the century. The cessation of nuclear tests, the achievement of nuclear disarmament and the prevention of space militarization, the banning and liquidation of chemical weapons and other disarmament measures will free the peoples of Europe and throughout the planet from all threats.

Declaring for a complex approach to disarmament questions, the two party and state leaders underscored the importance of the appeal on the programme for troops and conventional arms reduction in Europe adopted at the Budapest meeting of the Political Consultative Committee of the Warsaw Treaty participating states in conditions of an appropriate cut in states' military spending. The actions taken along this line by the Socialist Republic of Romania and the People's Republic of Bulgaria were assessed in the positive.

The two leaders hailed the results of the Stockholm Conference on Security and Confidence-Building and on Disarmament and reiterated the two countries' determination to work for the Vienna meeting of representatives of the Conference on Security and Cooperation in Europe participating states to be held in a constructive spirit, and to make substantial contribution to disarmament, to strengthening the cooperation among all the European states.

The Socialist Republic of Romania and the People's Republic of Bulgaria highlighted the need for a steadily develoing bilateral cooperation among Balkan states in all areas, as well as for their multilateral cooperation in domains of joint interest, which contributes to consolidating the climate of confidence and understanding, peace and security in the Balkans.

Comrade Nicolae Ceausescu and Comrade Todor Zhivkov reasserted the resolve of the two neighbour countries to intensify their activity of turning the Balkans into a zone free of nuclear weapons, and of carrying into effect the joint Romanian-Bulgarian initiative on the setting up of a chemical-weapon-free zone in the Balkans. Both countries assess these actions as an important contribution to strengthening peace and security in the region, in Europe and worldwide.

Exchanging opinions on other important international issues as well the two party and state leaders pointed to the need for a just and lasting solution to the existing litigious issues and conflicts by peaceful, negotiated means. The need was underscored to liquidate underdevelopment in order to comprehensively settle international economic problems, the developing countries' extremely high foreign debt problem, to build a new international economic order grounded on equal rights and equitable interstate relations.

The two party and state leaders expressed once again their countries' firm determination to work together with the Warsaw Treaty participating states, with the other socialist countries, with all peace-loving democratic and progressive forces to strengthen peace, cooperation and security in Europe and throughout the world.

The meeting passed in a comradely atmosphere, in a spirit of full confidence and understanding. It was another expression of the traditional Romanian-Bulgarian ties, of the links of friendship and steadily growing cooperation between the two parties, countries and peoples.

CEAUSESCU MESSAGE TO BALKAN MEETING NOTED

AU221304 Bucharest AGERPRES in English 1221 GMT 22 Dec 86

[Text] An expert meeting of Balkan countries on the achievement in the Balkans of a chemical-weapon free zone started in Bucharest, on December 22.

The meeting is participated in by delegations of the people's Republic of Bulgaria, the Hellenic Republic, the Socialist Federal Republic of Yugoslavia, Romania and Turkey.

In opening the meeting, the message addressed by Romania's President Nicolae Ceausescu to the heads of state and government of the participant states and to the delegations present in Bucharest was presented. The message was received with great interest and punctuated with applause by the attendance.

The meeting continues.

AUSTRIAN DAILY ON SITUATION OF HUNGARIANS

AU222015 Vienna KURIER in German 22 Dec 86 p 3

[Excerpt] [Passage omitted] The situation of the about 2-million-strong Hungarian ethnic group in Romania is extremely dismal. This year there were almost no Hungarian schoolbooks for the pupils in the first grade of the primary schools. For the 1986-87 school year more than 200 Romanian-speaking teachers were appointed in Covasna and Harghita Countries -- teachers who do not speak Hungarian at all although they are working in the Hungarian area.

Historical monuments of the Hungarians, for instance in Alba Iulia, are crumbling because the state refuses to renovate them.

In Brasov, Hungarian books were removed from the libraries following a secret decree; the city's Evangelical community had to hand over its valuable parish archive to Bucharest. The Hungarian cemeteries are falling into decay; therefore, on 1 November demonstrations took place in Cluj-Napoca and dissident flyers were distributed. In revenge, the secret police known as Securitate closed the cemetery on All Souls' Day.

New editions of brochures were published, which list the atrocities committed by the Horthy regime toward the Romanians during World War II. The "Romanian Encyclopedic Society" published a collection of anti-Hungarian articles and pamphlets, which say, among other things: "Romanian brothers, drive out the Hungarian parasites!"

In an open letter, several thousands of believers of all creeds and Hungarians [as received] appealed to the Hungarian church leaders to intervene on behalf of the Hungarian minority in Romania in their Christmas messages and to found a fund to support the suffering brothers "in Ceausescu's empire."

How disastrous the situation in Romania is, is demonstrated, for instance, by the fact that on 21 November in Capleni and Beveni 10 Romanian border soldiers, in uniform and fully armed, fled to Hungary.

MILEA CABLES SRV DEFENSE MINISTER ON ARMY DAY

AU231122 Bucharest SCINTEIA in Romanian 21 Dec 86 p 5

[Text] Colonel General Vasile Milea, minister of national defense of the Socialist Republic of Romania, has sent a cable of congratulations to the minister of national defense of the Socialist Republic of Vietnam, Army General Van Tien Dung, on the 42d anniversary of the creation of the Vietnamese People's Army.

NICU CEAUSESCU ADDRESSES UCY PLENARY SESSION

AU201714 Bucharest AGERPRES in English 1443 GMT 20 Dec 86

[Text] Bucharest AGERPRES 20/12/1986 -- On December 20 a plenary meeting of the Central Committee of the Union of the Communist Youth [UCY] was held to debate the activity carried out by the UCY bodies and organizations to enhance the contribution of the youth to the implementation of the resolutions of the 13th Congress of the RCP and of the stipulations in the Single National Plan for Economic and Social Development in 1986, and the tasks incumbent on them in view of the participation of all the youth in the programmes for Romania's development in 1987.

Emil Bobu, member of the Executive Political Committee, secretary of the CC of the RCP, participated in the plenary meeting and took the floor.

During the plenary meeting there have been endorsed the programme on the participation of the young generation in the materialization of certain goals regarding Romania's economic and social development in 1987, and the resolution regarding the organization of activities during the winter 1986-1987 school holidays.

At the conclusion of proceedings Nicu Ceausescu, alternate member of the Executive Political Committee of the CC of the RCP, first secretary of the CC of the UCY, took the floor.

The participants in the plenary meeting sent a telgram to RCP general secretary Nicolae Ceausescu, president of Romania.

BRIEFS

GNA DEPUTY ELECTION -- Partial elections took place 14 December in Bucharest's Constituency No. 26 for one deputy to the Grand National Assembly (GNA). Thus, Comrade Ion Constantinescu, minister-secretary of state at the State Planning Committee, was elected deputy to the GNA. The partial election documents have been sent to the GNA Bureau to be forwarded to the GNA Credentials Commission. [Summary] [Bucharest SCINTEIA in Romanian 16 Dec 86 p 5 AU]

OLTENITA SHIPYARD PERFORMANCE -- Bucharest AGERPRES, 18/12/1986 -- The workers of the shipyard in Oltenita launched another ship of 2,150 dwt meant for export. Of the series of like ships, 58 have been built so far for foreign beneficiaries. In the last twenty years more than 700 ships manufactured in Oltenita were exported to various countries. Work is under way to finish other three ships for export, the 5,000-dwt one undergoing final tests. [Text] [Bucharest AGERPRES in English 1016 GMT 18 Dec 86 AU]

SETINC DISCUSSES SECURITY-POLITICAL SITUATION

LD082357 Belgrade TANJUG Domestic Service in Serbo-Croatian 1907 GMT 8 Dec 86

[Text] Ljubljana, 8 Dec (TANJUG) -- "A society in crisis provides fertile ground for differing thoughts about and alternatives to the ways out of the difficulties. Some of the alternatives are well-intentioned, but some are antisocialist and aim to change the social order. On the other hand, we have people who think that their time has come; they talk about the party being weak, defeated, so to speak, and say they must do something to safeguard this political system. At the same time, although it seems contradictory, these people, individuals, groups believe that we have embarked on the path of consolidating socialist self-managing society and are, therefore, hurrying, getting together to write programs." This was said, among other things, by Franc Setinc, member of the LCY Central Committee presidium, in a half-hour program on Ljubljana television devoted to the Yugoslav security-political situation.

In reply to a question as to whether the enemy was our greatest problem, Franc Setinc said that we, ourselves, were our own greatest enemy. This was especially emphasized in the stance of the SFRY Presidency and the LCY Central Committee Presidium. What was in fact said was that our most important tasks concern the economy, the consolidation of self-management, and the task of heightening moral standards. We must fight various unacceptable ideas with creative results, which are our most important weapons in the conflict with anticommunist, antisocialist and anti-self-management forces.

Asked if this is an ideological purge, Setinc said that "this is not a witchhunt." We are faced here with a conflict of ideas, views. Doesn't the LC have the right to organize itself, to enhance its capabilities, to speak publicly, to oppose unacceptable ideas? I think it at least has that right.

Speaking about the common characteristics of all hostile activities, Franc Setinc said that they were carried out by anticommunist forces and that their common feature was something which could be called an antisocialist act, an antisocialist aspiration, or an anti-self-management aspiration as these forces are not only right-wing, andticommunist or, as they are sometimes called, liberalistic, which is a very vague description. We are faced also with dogmatic, centralist forces. I could even call them neo-Stalinist, which can be as dangeropus. In other words, while concentrating our attention on the dangers of the right-wing forces, we may suddenly find that dogmatic centralist forces have appeared on the stage offering their help as allies who would raise the alarm about the alleged dangers to socialism and then call for the party to strengthen its role, for a policy of using a firm hand, for the increased role of the state, and so forth. We must be aware of such an undesireable ally, and I think that the stance of the SFRY Presidency and the LCY Central Committee Presidium warn of this, Setinc said.

In Setinc's view, it is very important that those economic problems containing considerable ideological material are quickly resolved. For instance, until recently everyone was saying that the Critical Analysis of the Functioning of the Political System was not good, that it was not in line with the long-term stabilization program. The majority thought the long-term program good. However, we now have people who say the long-term program is not good either; this is what ideological conflicts are all about.

In reference to the memorandum, Setinc stressed that the memorandum was a call to destroy Yugoslavia, to sow intolerance among our people. It is obvious that this is something we do not need at the moment. I mean, it is good that the Communists in Serbia, in Belgrade countered it, but I also think that it has to be fought by all the working people, all the nations and nationalities in Yugoslavia, as our own skin is at stake.

Setinc also dwelled on alternative movements in our country, particularly stressing the initiatives of the peace movement and assessing that such a movement is necessary in our society. "It is a question of a peace movement of the young, of older people, of involvement in a broad peace movement against nuclear war, against arms, and of a desire to lend support with such a movement to our foreign policy. The ecology movement, for example, is just as positive. We must allow people to rally together within the Socialist Alliance, which should, above all, offer an area where we can correct what we have failed to do in the past, because socialism has an opportunity to offer a better alternative than the capitalist states."

Speaking about the initiative for doing military service "as a civilian," Setinc noted first of all that this was "put forward by the youth at their congress in Krsko. This is a legitimate initiative that should be discussed. It is pointless to say at this stage that this is virtually an antistate act, that it should not be discussed. In the SFRY Assembly, for example, they discussed a petition from respected people about the legal state. Why shouldn't they discuss this initiative of the youth? Whether it is acceptable is another question. It should be expounded; we should see what is good and what is bad in it; we should hear the arguments for and against it. Yugoslavia covers a broad area; there are differing ideas, different points of view here, and we certainly cannot implement only Slovene ideas. Some say that this has given rise to considerable disquiet in Yugoslavia, but the question is whether the disturbance was caused simply by the views of the youth in Slovenia, which are sometimes imprecise, so that some have understood the initiative on doing military service "as a civilian" as, let us say, an inititiative for not doing military service at all, for disbanding the Yugoslav People's Army, and so on.

When I read various Yugoslav newspapers, I asked myself what has caused the most concern: Is it only the initiative of the youth at their congress, or is it the writings of certain newspapers that said the initiative was aimed at the foundations of the all-people's defense and social self-protection, that the initiative was an attack on the Yugoslav People's Army, that it counts on weakening the efficiency of our defense, that it is playing into the hands of the enemies of this country, that peace movements are appearing amid the ruins of all-people's defense, and that the initiative is advocating the abolition of military obligations and the disbanding of the Army? I believe that these ill-intentioned interpretations, or superficial ones, whatever you want to call them, are causing the disquiet. This is why we should put an end to this kind of writing and discuss the initiative as it stands, openly, and argue about it in public," stressed Setinc.

LCY'S RENOVICA ON RELATIONS IN FEDERATION

AU221418 Belgrade POLITIKA in Serbo-Croatian 1 Dec 86 p 6

[Lj.C. report on interview given by Milanko Renovica, president of the LCY Central Committee Presidium, to Sarajevo television "on the occasion of Republic Day" -- place not given]

[Text] On the occasion of Republic Day, Milanko Renovica, president of the LCY Central Committee Presidium, gave an interview to Sarajevo television within the framework of the "Political Journal" program.

The next day, Sarajevo OSLOBODJENJE carried unauthorized excerpts from this interview in its festive 28 November issue and, in view of the modest space available to us, we carry those parts of the OSLOBODJENJE excerpts which seem the most interesting.

One question asked by the moderator and editor of the "Political Journal" program was: "What do you think about the almost humorous thesis that the SFRY has one day in the year, that is, 29 November... and that the remaining 364 days are the days of the republics and provinces? And is this merely a verbal remark, or is it perhaps an economic and political fact?" According to OSLOBODJENJE, Milanko Renovica answered:

Federation Has Its Functions [subhead]

"It is and it is not. If what is meant here is only an act of festive celebration, then it is a fact that the federation also celebrates and observes several holidays; but if what is meant in this connection are the actual political and economic relations, then it can be said that a great deal of what is called -- within the framework of decentralization of our total relations -- polycentric statism, on the one hand, or centralist statism, on the other, has become accumulated here. However, I think that the state of affairs must be considered on the basis of our principled, political, and constitutional solutions. The federation has its own functions, which are determined by the Constitution, and it is through these functions that the peoples and nationalities and the working people fulfill their rights and duties: The federation protects sovereignty, territorial integrity, the unity of the political system, and the unity of the socioeconomic system, but the republics also fulfill their interests with the federation, either through the organs of the federation, or through direct cooperation, or by fulfilling their constitutional duties and rights. However, it is a fact that certain steps mut be taken to ensure a greater degree of unity among the organs of the federation and to ensure that the republics and provinces, too, -- and not only they but also all organized forms of social awareness -- exercise their influence to more effectively, completely, and resolutely fulfill the unified common interests within the federation. And these interests will be fulfilled if, in conformity with our political and constitutional orientations, the republics and provinces actually assume the responsibility, not only for their own development, but also for the development of the entire Yugoslav socialist community. It is in this way that the cohesion of the entire society is and should be strengthened. Our development began under different cultural, economic, and other conditions, and under the conditions of different heritages, and it is quite certain that these differences have not been overcome. Therefore, certain differences also occur within the pluralism of self-managing interests which, at first glance and viewed in a one-sided way, may assume a dramatic tone; but I think that the fulfillment of the fundamental economic interests within the federation has been ensured at all stages until now. Accordingly, the federation also has its working and festive days, although I think that it is justified to raise the question of the need to strengthen responsibility for a more efficient work of the institutions of our system in the federation and, most certainly, also in the republics."

Is the Federal Executive Council Isolated [subhead]

Another question was: "Does it not seem to you, Comrade President, that for a long time now we have expected virtually everything from the Federal Executive Council...? Does it not also seem to you that the LC has in some way driven the Federal Executive Council to an open ground...? Answering this question, Renovica said among other things:

"... In my opinion -- and I believe this is also the opinion of the Presidium and the Central Committee -- the Federal Executive Council is very dynamic, bold, and resolute, and that it also aims at such operational actions and that ... a rounded program of measures and activities aimed at literally following the Long-Term Program [of Economic Stabilization] is being created with what has already been achieved with the July measures and with what is now being proposed....

"In my opinion, the Federal Executive Council has proven to be strong and resolute in the struggle for economic stabilization and, therefore, it needs no verbal support of any kind, but this does not imply that the concrete proposals that are put forward by the organs of the federation and that are discussed in Yugoslavia's assembly should not be further discussed and that counterarguments should not be raised against them. The Federal Executive Council, as well as other organs, must be willing to consider all observations that are made and especially those that are made by workers....

"I believe that the Federal Executive Council is completely willing to do this and that the latest session of the LCY Central Committee demonstrated that there is support for changes in parts of the economic system to bring them into accord with the stabilization program, that there is support for the directions indicated by the resolution... that this resolution is winning support with the force of its arguments, and that in all our discussions it is not necessary to question whether the Federal Executive Council enjoys some support or enjoys no support. A concept of this kind is winning broad support on its own with the force of its arguments.

"Accordingly," Milanko Renovica emphasized, "it is also winning the support of the LC."

The LC Acts Unitedly [subhead]

Concluding the unauthorized excerpts from this very extensive interview given to Sarajevo television, OSLOBODJENJE carries a question in which the president of the LCY Central Committee Presidium was requestsed to comment on the theses claiming that groups and even factions already exist within the LC and that "they no longer represent only a bogey but are a fact."

Milanko Renovica answered:

"I would not say that factions exist. The LC acts as a single unified revolutionary organization and its parts in the republics and provinces and the LC organization and its parts in the republics and provinces and the LC organization in the Army also represent component parts of this single unified organization, although they autonomously determine the policy of implementing the views of the congress and LC policy. But it is quite certain that, in addition to this, we have our unified program orientation, that is, the LC program, political convictions, and the congress decisions, and that we have a system of internal relations based on democratic centralism. Decisions are made democratically according to definite procedures and through the party's general public and become mandatory. Since the 13th congress, the internal ties have been strengthened even more and thus, the LCY and its Central Committee can assess and monitor whether the LC policy is being implemented in the individual republics or provinces and in the individual republican or provincial LC organizations. They have the right to raise the question of how this policy is implemented, to insist that this is discussed, to adopt pertinent positions, and even the right to convene an extraordinary congress of the LC of a republic or province or an extraordinary LCY congress. Therefore, I think that this part, that is, I mean, as far as factions are concerned, not only has been regulated in this way, but I also think that the entire system of relations and the process of making and implementing decisions exclude any factional activities. However, our experience shows that group activities do take place on various occasions, that is, when certain matters are being decided which concern a certain area or region, or when cadre solutions are involved, or when what is involved are some concrete demands of individuals concerning their treatment, and so forth. Some groups or group activities do manifest themselves here and there and, in this connection, the LC must be vigilant with constant criticism and in fulfilling its obligation to constantly reexamine the ideological and political activities of every individual, to continuously verify the method of implementation of party desicions, and to take measures of ideological-political responsibility.

"But these measures are by no means alien to us; this is a regular process and not a campaign," Milanko Renovica, president of the LCY Central Committee Presidium, concluded.

REPORT ON LCY-SAWPY COMMISSIONS JOINT SESSION

LD230001 Belgrade TANJUG in English 2234 GMT 22 Dec 86

[Text] Belgrade, Dec 22 (TANJUG) -- The visit to Yugoslavia by General Secretary of the Communist Party of the Soviet Union Mikhail Gorbachev, scheduled for next year, will give new important impulses to the strengthening of friendship and furtherance of all forms of Yugoslav-Soviet cooperation -- it was stated at today's joint session of the foreign policy commissions of the Central Committee of the League of Communists of Yugoslavia and the Federal Conference of the Socialist Alliance of the Working People of Yugoslavia.

The session discussed the recent visit to Moscow by President of the LCY CC Presidency Milanko Renovica and his talks with Mikhail Gorbachev, and described them as a confirmation of the successful development of Yugoslav-Soviet party and state relations. It was also noted that it would be desirable to have regular exchanges of views between the LCY and the CPSU, as well as between Yugoslavia and the Soviet Union of activities on the international level in the struggle for peace, development and progress.

For the purpose of further development of the comprehensive economic cooperation between the two countries, it is essential to surmount Yugoslavia's current trade surplus with the Soviet Union and pinpoint the spheres and programmes for developing the more advanced forms of mutual cooperation, speakers in the debate assessed.

The session also discussed the report submitted by a Socialist Alliance delegation which attended the 17th Congress of the Socialist International as a guest. It was noted that the Socialist International had grown over some ten years from an association mainly of the West European socialist and social democratic parties, into a larger-scale organization adapting itself to the contemporary international relations.

The Socialist International and its members, it was said among other things, call on progressive parties in socialist and nonaligned countries to engage in dialogue and cooperation on questions of the widest possible international interest. The League of Communists and the Socialist Alliance of Yugoslavia have long since maintained comprehensive relations with many parties and members of the Socialist International, while certain differences in view have never been obstacles to fruitful exchanges of opinions and experiences in the struggle for peace, development and progress.

SERBIAN DELEGATE REFUSES TO ATTEND WRITERS TALKS

AU222102 Pristina Domestic Service in Serbo-Croatian 2000 GMT 22 Dec 86

[Text] At its session held today, the Presidium of the Serbian Writers Association adopted the view that its representative should not be present in a delegation of the Yugoslav Writers Association, which will hold talks with SAWPY. The talks with the SAWP should be held following the election of the president of the Yugoslav Writers Association about which, as stated at the session, the Serbian Writers Association does not have to say anything else.

The Presidium has also been informed that writer Mihailo Lalic sent it a telegram in which he says that he does not want to be a member of the Serbian Writers Association any longer.

CROATIAN ASSEMBLY HALTS NUCLEAR PLANTS PROPOSAL

LD230031 Belgrade TANJUG Domestic Service in Serbo-Croatian 0138 GMT 22 Dec 86

[Summary] Zagreb, 22 Dec (TANJUG) -- The Croatian Assembly at its last session did not approve proposals in the Croatian Plan to the Year 2000 that sites be reserved in Croatia for the possible location of future nuclear power stations. It was assessed that a countrywide long-term energy plan first needs to be developed.

NIS INTERNAL AFFAIRS DIRECTOR CRITICIZED

LD200557 Belgrade TANJUG Domestic Service in Serbo-Croatian 1110 GMT 19 Dec 86

[Text] Nis, 19 Dec (TANJUG) -- The delegates of all three chambers of the Nis Municipal Assembly adopted a decision at their session today to announce public criticism of Miodrag Djordjevic, head of the Secretariat for Internal Affairs (SUP).

The delegates' decision follows the adoption of a report from the Municipal Assembly Commission for establishing the responsibility of SUP Director Miodrag Djordjevic for failure to observe "the agreement on guaranteeing fire prevention at Nis Airport," which apparently led to doubt being cast on its opening.

Considering the report of the municipal commission, the delegates voted unanimously that public criticism is an adequate measure. This decision virtually abrogates the decision of the municipal assembly made in November on the suspension of Miodrag Djordjevic from his post as head of SUP.

BRIONI MEETING PRAISES HARARE SUMMIT; CONCLUDES

LD180049 Belgrade TANJUG in English 1830 GMT 17 Dec 86

[Text] Brioni, December 17 (TANJUG) -- Decisions adopted at the Eighth Non-Aligned Summit in Harare represent a step forward in the consolidation of the Movement of Non-Alignment's unity and its more active part on the international scene.

Marko Orlandic, League of Communists of Yugoslavia Central Committee Presidency member, said in his speech today on the last day of the international scientific meeting "Tito, Non-Alignment, the Contemporary World" on the island of Brioni.

Results of the Eighth Non-Aligned Summit show the growing esteem and influence of the Movement of Non-alignment. The destiny of the world no longer depends on big powers' and blocs' activity alone. This is a direct result of non-aligned efforts, Orlandic said. Orlandic particularly stressed that an ever growing number of Latin American countries have accepted the policy of non-alignment and added that by pursuing the policy of non-alignment they can most effectively resist big powers' hegemony.

The Non-Aligned Movement does not intend to remain content with making appeals; it wants to be an active factor in seeking solutions to the present situation, Orlandic said.

He added that the Movement of Non-Alignment, following the spirit and the decisions of its eighth summit, should develop an intensive activity through the United Nations and its specialized bodies which are in the function of peace, security and disarmament.

Orlandic also said that economic difficulties, which affect most of the developing countries, are the biggest threat to the world peace and could have consequences far more destructive than a nuclear bomb. He stressed that the South-South cooperation does not pose as an alternative to the North-South cooperation, but should become a part of a single process, an essential element of the world economic system's functioning.

Several Yugoslav and foreign experts who participated in the debate today were unanimous in the assessment of the historic role of the co-founders of non-alignment -- Tito, Nehru, Al-Nasir, Nkrumah, and Sukarno.

Rabah Kerouaz of Algeria stressed that Africa needed solidarity in order to overcome its dramatic problems -- apartheid, famine and debts. He upheld actions launched by the Movement of Non-Alignment in solidarity with the South African nation and with the Palestinian people.

SWAPO representative Tuliameni Kalomoh particularly emphasized the importance of the decision taken at the eighth summit to form a non-aligned fund for assistance to the Front-Line Countries. The Syrian Foreign Ministry representative Adman Nachabe stressed that the ultimate goal of the Movement of Non-Alignment was the building of a better and more just world.

In the three-day debate at the Brioni scientific meeting, 80 experts and political workers from Yugoslavia and around twenty nonaligned countries examined the contribution of the founders of the movement and the nonaligned policy in the light of the Eighth Summit in Harare.

The meeting was organized to mark the 25th anniversary of the first conference of heads of state or government of nonaligned countries in Belgrade, and the 30th anniversary of the Brioni meeting between Tito, Nehru, and Al-Nasir.

ROMANIAN AGREEMENT REACHED ON DANUBE EXPLOITATION

LD190024 Belgrade TANJUG in English 1750 GMT 18 Dec 86

[Text] Belgrade, December 18 (TANJUG) -- The exploitation of the Danube at Djerdap is now within the Yugoslav-Romanian agreement, Yugoslav Government spokesman Aleksander Stanic said at a press conference in Belgrade today.

The Union of Yugoslav Electric Power Industry (JUGEL) announced a week ago that Romania had, since September, excessively exploited the Djerdap 1 storage lake on the Danube, and had therefore caused a considerable deterioration in the power supply in Yugoslavia. The excessive Romanian exploitation of Djerdap forced Yugoslavia to overstep the planned use of its storage lakes. Yugoslav thermoelectric plants in the region had to stop work, impeding the work of industrial facilities.

MIKULIC MEETS WITH CUBAN ECONOMIC MINISTER

FL181756 Havana Radio Reloj Network in Spanish 1503 GMT 18 Dec 86

[Text] Yugoslav Prime Minister Branko Mikulic has met with Ernesto Melendez Bachs, minister president of Cuba's State Committee for Economic Cooperation, with whom he discussed matters of bilateral interest. The talks were held in a friendly and cordial atmosphere. Future trade development between the two countries was examined. Mikulic and Melendez also exchanged views on the current international political situation and Nonaligned Movement activities within the framework of agreements reached in Harare.

The minister president of Cuba's State Committee for Economic Cooperqation is heading a delegation participating in negotiations of the sixth session of the Cuban-Yugoslav Mixed Commission for Economic, Scientific, and Technical Cooperation being held in Belgrade.

HASANI RECEIVES NEW AMBASSADOR TO UNITED NATIONS

LD200239 Belgrade TANJUG Domestic Service in Serbo-Croatian 0955 GMT 19 Dec 86

[Text] Belgrade, 19 Dec (TANJUG) -- Sinan Hasani, president of the SFRY Presidency, today received Marko Kosin, newly appointed ambassador extraordinary and plenipotentiary of the SFRY and head of the permanent mission at the United Nations and other international organizations in Geneva. Kosin will leave soon to take up his new post.

LATE REPORT: PARDON REJECTED FOR ARTUKOVIC

LD231355 Belgrade TANJUG Domestic Service in Serbo-Croatian 1324 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (TANJUG) -- The SFRY Presidency, in a procedure initiated in accordance with official obligations -- on the basis of paragraph 3, Articles 5 and 11 of the Law on Pardons -- has adopted a decision rejecting the granting of a pardon to Andrija Artukovic. Artukovic was condemned to death by the Zagreb District Court -- a verdict upheld in the Supreme Court of Croatia and the Federal Court -- for war atrocities against the civilian population and against prisoners of war.

BRIEFS

COOPERATION WITH SOVIET UNION -- Zagreb, December 19 (TANJUG) -- A protocol on cooperation signed by the Yugoslav foreign trade enterprise Astra of Zagreb and the Soviet firm Selkhoz-Promeksport provides for about 240 million dollars' worth of mutual goods deliveries over the next five years. Astra will be delivering to partners in the Soviet Union equipment for the agricultural and food-processing industry, in return for land improvement equipment. Astra's foreign trade turnover this year is estimated at 1.6 billion dollars. Of the sum, about 700 million dollars has been earned by the export of agricultural and food products, various industrial equipment and other goods made by Yugoslav producers. The bulk of the exports goes to the Soviet Union, the Federal Republic of Germany, Great Britain, Sweden, Algeria, Ghana and a number of other countries. [Text] [Belgrade TANJUG in English 0038 GMT 20 Dec 86 LD]